



Rep. Joseph M. Lyons

Filed: 4/1/2011

09700HB1651ham001

LRB097 10192 CEL 53767 a

1 AMENDMENT TO HOUSE BILL 1651

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1651 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Division of Banking Act is amended by  
5 changing Sections 2.5, 5, and 6 as follows:

6 (20 ILCS 3205/2.5)

7 Sec. 2.5. Prohibited activities.

8 (a) For the purposes of this Section, "regulated entity"  
9 means any person, business, company, corporation, institution,  
10 or other entity who is subject to regulation by the Office of  
11 Banks and Real Estate under Sections 3 and 46 of the Illinois  
12 Banking Act, Section 1-5 of the Illinois Savings and Loan Act  
13 of 1985, Section 1004 of the Savings Bank Act, Section 1-3 of  
14 the Residential Mortgage License Act of 1987, Section 2-4 of  
15 the Corporate Fiduciary Act, Section 3.02 of the Illinois Bank  
16 Holding Company Act of 1957, the Savings and Loan Share and

1 Account Act, Section 1.5 of the Pawnbroker Regulation Act,  
2 Section 3 of the Foreign Banking Office Act, or Section 30 of  
3 the Electronic Fund Transfer Act.

4 (b) The Commissioner and the deputy commissioners shall not  
5 be an officer, director, employee, or agent of a regulated  
6 entity or of a corporation or company that owns or controls a  
7 regulated entity.

8 The Commissioner and the deputy commissioners shall not own  
9 shares of stock or hold any other equity interest in a  
10 regulated entity or in a corporation or company that owns or  
11 controls a regulated entity. If the Commissioner or a deputy  
12 commissioner owns shares of stock or holds an equity interest  
13 in a regulated entity at the time of appointment, he or she  
14 shall dispose of such shares or other equity interest within  
15 120 days from the date of appointment.

16 The Commissioner and the deputy commissioners shall not  
17 directly or indirectly obtain a loan from a regulated entity or  
18 accept a gratuity from a regulated entity that is intended to  
19 influence the performance of official duties.

20 (c) Employees of the Office of Banks and Real Estate shall  
21 not be officers, directors, employees, or agents of a regulated  
22 entity or of a corporation or company that owns or controls a  
23 regulated entity.

24 Except as provided by standards which the Office of Banks  
25 and Real Estate may establish, employees of the Office of Banks  
26 and Real Estate shall not own shares of stock or hold any other

1 equity interest in a regulated entity or in a corporation or  
2 company that owns or controls a regulated entity, or directly  
3 or indirectly obtain a loan from a regulated entity, or accept  
4 a gratuity from a regulated entity that is intended to  
5 influence the performance of official duties. However, in no  
6 case shall an employee of the Office of Banks and Real Estate  
7 participate in any manner in the examination or direct  
8 regulation of a regulated entity in which the employee owns  
9 shares of stock or holds any other equity interest, or which is  
10 servicing a loan to which the employee is an obligor.

11 (d) If the Commissioner, a deputy commissioner, or any  
12 employee of the Office of Banks and Real Estate properly  
13 obtains a loan or extension of credit from an entity that is  
14 not a regulated entity, and the loan or extension of credit is  
15 subsequently acquired by a regulated entity or the entity  
16 converts to become a regulated entity after the loan is made,  
17 such purchase by or conversion to a regulated entity shall not  
18 cause the loan or extension of credit to be deemed a violation  
19 of this Section.

20 Nothing in this Section shall be deemed to prevent the  
21 ownership of a checking account, a savings deposit account, a  
22 money market account, a certificate of deposit, a credit or  
23 debit card account, or shares in open-end investment companies  
24 registered with the Securities and Exchange Commission  
25 pursuant to the federal Investment Company Act of 1940 and the  
26 Securities Act of 1933 (commonly referred to as mutual or money

1 market funds).

2 (e) No Commissioner, deputy commissioner, employee, or  
3 agent of the Office of Banks and Real Estate shall, either  
4 during or after the holding of his or her term of office or  
5 employment, disclose confidential information concerning any  
6 regulated entity or person except as authorized by law or  
7 prescribed by rule. "Confidential information", as used in this  
8 Section, means any information that the person or officer  
9 obtained during his or her term of office or employment that is  
10 not available from the Office of Banks and Real Estate pursuant  
11 to a request under the Freedom of Information Act.

12 (Source: P.A. 89-508, eff. 7-3-96.)

13 (20 ILCS 3205/5) (from Ch. 17, par. 455)

14 Sec. 5. Powers. In addition to all the other powers and  
15 duties provided by law, the Commissioner shall have the  
16 following powers:

17 (a) To exercise the rights, powers and duties formerly  
18 vested by law in the Director of Financial Institutions under  
19 the Illinois Banking Act.

20 (b) To exercise the rights, powers and duties formerly  
21 vested by law in the Department of Financial Institutions under  
22 "An act to provide for and regulate the administration of  
23 trusts by trust companies", approved June 15, 1887, as amended.

24 (c) To exercise the rights, powers and duties formerly  
25 vested by law in the Director of Financial Institutions under

1 "An act authorizing foreign corporations, including banks and  
2 national banking associations domiciled in other states, to act  
3 in a fiduciary capacity in this state upon certain conditions  
4 herein set forth", approved July 13, 1953, as amended.

5 (c-5) To exercise all of the rights, powers, and duties  
6 granted to the Director or Secretary under the Illinois Banking  
7 Act, the Corporate Fiduciary Act, the Electronic Fund Transfer  
8 Act, the Illinois Bank Holding Company Act of 1957, the Savings  
9 Bank Act, the Illinois Savings and Loan Act of 1985, the  
10 Savings and Loan Share and Account Act, the Residential  
11 Mortgage License Act of 1987, and the Pawnbroker Regulation  
12 Act.

13 (c-10) To take any action authorized by the Illinois  
14 Banking Act, the Corporate Fiduciary Act, the Electronic Fund  
15 Transfer Act, the Illinois Bank Holding Company Act of 1957,  
16 the Savings Bank Act, the Illinois Savings and Loan Act of  
17 1985, the Residential Mortgage License Act of 1987, or the  
18 Pawnbroker Regulation Act, when such action is necessary to  
19 protect depositors or other customers of the regulated entity  
20 from actions of the regulated entity.

21 (c-15) To enter into cooperative agreements with  
22 appropriate federal and out-of-state state regulatory agencies  
23 to conduct and otherwise perform any examination of a regulated  
24 entity as authorized under the Illinois Banking Act, the  
25 Corporate Fiduciary Act, the Electronic Fund Transfer Act, the  
26 Illinois Bank Holding Company Act of 1957, the Savings Bank

1 Act, the Illinois Savings and Loan Act of 1985, the Residential  
2 Mortgage License Act of 1987, and the Pawnbroker Regulation  
3 Act.

4 (d) Whenever the Commissioner is authorized or required by  
5 law to consider or to make findings regarding the character of  
6 incorporators, directors, management personnel, or other  
7 relevant individuals under the Illinois Banking Act, the  
8 Corporate Fiduciary Act, the Pawnbroker Regulation Act, or at  
9 other times as the Commissioner deems necessary for the purpose  
10 of carrying out the Commissioner's statutory powers and  
11 responsibilities, the Commissioner shall consider criminal  
12 history record information, including nonconviction  
13 information, pursuant to the Criminal Identification Act. The  
14 Commissioner shall, in the form and manner required by the  
15 Department of State Police and the Federal Bureau of  
16 Investigation, cause to be conducted a criminal history record  
17 investigation to obtain information currently contained in the  
18 files of the Department of State Police or the Federal Bureau  
19 of Investigation, provided that the Commissioner need not cause  
20 additional criminal history record investigations to be  
21 conducted on individuals for whom the Commissioner, a federal  
22 bank regulatory agency, or any other government agency has  
23 caused such investigations to have been conducted previously  
24 unless such additional investigations are otherwise required  
25 by law or unless the Commissioner deems such additional  
26 investigations to be necessary for the purposes of carrying out

1 the Commissioner's statutory powers and responsibilities. The  
2 Department of State Police shall provide, on the Commissioner's  
3 request, information concerning criminal charges and their  
4 disposition currently on file with respect to a relevant  
5 individual. Information obtained as a result of an  
6 investigation under this Section shall be used in determining  
7 eligibility to be an incorporator, director, management  
8 personnel, or other relevant individual in relation to a  
9 financial institution or other entity supervised by the  
10 Commissioner. Upon request and payment of fees in conformance  
11 with the requirements of Section 2605-400 of the Department of  
12 State Police Law (20 ILCS 2605/2605-400), the Department of  
13 State Police is authorized to furnish, pursuant to positive  
14 identification, such information contained in State files as is  
15 necessary to fulfill the request.

16 (e) When issuing charters, permits, licenses, or other  
17 authorizations, the Commissioner may impose such terms and  
18 conditions on the issuance as he deems necessary or  
19 appropriate. Failure to abide by those terms and conditions may  
20 result in the revocation of the issuance, the imposition of  
21 corrective orders, or the imposition of civil money penalties.

22 (f) If the Commissioner has reasonable cause to believe  
23 that any entity that has not submitted an application for  
24 authorization or licensure is conducting any activity that  
25 would otherwise require authorization or licensure by the  
26 Commissioner, the Commissioner shall have the power to subpoena

1 witnesses, to compel their attendance, to require the  
2 production of any relevant books, papers, accounts, and  
3 documents, and to conduct an examination of the entity in order  
4 to determine whether the entity is subject to authorization or  
5 licensure by the Commissioner or the Division. If the Secretary  
6 determines that the entity is subject to authorization or  
7 licensure by the Secretary, then the Secretary shall have the  
8 power to issue orders against or take any other action,  
9 including initiating a receivership against the unauthorized  
10 or unlicensed entity.

11 (g) The Commissioner may, through the Attorney General,  
12 request the circuit court of any county to issue an injunction  
13 to restrain any person from violating the provisions of any Act  
14 administered by the Commissioner.

15 (h) Whenever the Commissioner is authorized to take any  
16 action or required by law to consider or make findings, the  
17 Commissioner may delegate or appoint, in writing, an officer or  
18 employee of the Division to take that action or make that  
19 finding.

20 (i) Whenever the Secretary determines that it is in the  
21 public's interest, he or she may publish any cease and desist  
22 order or other enforcement action issued by the Division.

23 (Source: P.A. 96-1365, eff. 7-28-10.)

24 (20 ILCS 3205/6) (from Ch. 17, par. 456)

25 Sec. 6. Duties. The Commissioner shall direct and supervise

1 all the administrative and technical activities of the Office  
2 and shall:

3 (a) Apply and carry out this Act and the law and all rules  
4 adopted in pursuance thereof.

5 (b) Appoint, subject to the provisions of the Personnel  
6 Code, such employees, experts, and special assistants as may be  
7 necessary to carry out effectively the provisions of this Act  
8 and, if the rate of compensation is not otherwise fixed by law,  
9 fix their compensation; but neither the Commissioner nor any  
10 deputy commissioner shall be subject to the Personnel Code.

11 (c) Serve as Chairman of the State Banking Board of  
12 Illinois.

13 (d) Serve as Chairman of the Board of Trustees of the  
14 Illinois Bank Examiners' Education Foundation.

15 (e) Issue guidelines in the form of rules or regulations  
16 which will prohibit discrimination by any State chartered bank  
17 against any individual, corporation, partnership, association  
18 or other entity because it appears in a so-called blacklist  
19 issued by any domestic or foreign corporate or governmental  
20 entity.

21 (f) Make an annual report to the Governor regarding the  
22 work of the Office as the Commissioner may consider desirable  
23 or as the Governor may request.

24 (g) Perform such other acts as may be requested by the  
25 State Banking Board of Illinois pursuant to its lawful powers  
26 and perform any other lawful act that the Commissioner

1 considers to be necessary or desirable to carry out the  
2 purposes and provisions of this Act.

3 (h) Adopt, in accordance with the Illinois Administrative  
4 Procedure Act, reasonable rules that the Commissioner deems  
5 necessary for the proper administration and enforcement of any  
6 Act the administration of which is vested in the Commissioner  
7 or the Office of Banks and Real Estate.

8 (i) Work in cooperation with the Director of Aging to  
9 encourage all financial institutions regulated by the Office to  
10 participate fully in the Department on Aging's financial  
11 exploitation of the elderly intervention program.

12 (j) Deposit all funds received, including civil penalties,  
13 pursuant to the Illinois Banking Act, the Corporate Fiduciary  
14 Act, the Illinois Bank Holding Company Act of 1957, and the  
15 Check Printer and Check Number Act in the Bank and Trust  
16 Company Fund.

17 (Source: P.A. 92-483, eff. 8-23-01; 93-786, eff. 7-21-04.)

18 Section 10. The State Finance Act is amended by adding  
19 Section 5.786 as follows:

20 (30 ILCS 105/5.786 new)

21 Sec. 5.786. The Savings Institutions Regulatory Fund.

22 Section 15. The Illinois Savings and Loan Act of 1985 is  
23 amended by changing Sections 1-10.01, 1A-8, 2-5, 3-2, 3-6, 3-7,

1 5-7, 6-2.1, 6-4, 6-5, 6-7, 6-8, 6-9, 6-10, 6-11, 6-12, 6-13,  
2 6-15, 7-5, 7-7, 7-15, 7-19.1, 7-20, 7-21, 7-23, 7-24, 7-25,  
3 7-26, 7-27, and 8-4 and by adding Sections 1-10.40, 6-16, and  
4 7-19.2 as follows:

5 (205 ILCS 105/1-10.01) (from Ch. 17, par. 3301-10.01)

6 Sec. 1-10.01. "Board": the Board of Savings Institutions,  
7 as described in Sections 7-20 through 7-22 ~~7-26~~ of this Act.

8 (Source: P.A. 89-508, eff. 7-3-96.)

9 (205 ILCS 105/1-10.40 new)

10 Sec. 1-10.40. Depository institution. "Depository  
11 institution", as used in this Act, means an insured depository  
12 institution as defined by Section 3(c)(2) of the Federal  
13 Deposit Insurance Act (12 U.S.C. 1813), as amended, or an  
14 insured credit union as defined by Section 101(7) of the  
15 Federal Credit Union Act (12 U.S.C. 1752(7)), as amended.

16 (205 ILCS 105/1A-8) (from Ch. 17, par. 3301A-8)

17 Sec. 1A-8. (a) An association, including a mutual  
18 association operating under this Act, may reorganize so as to  
19 become a holding company by:

20 (1) chartering one or more subsidiary associations, the  
21 ownership of which shall be evidenced by stock shares, to be  
22 owned by the chartering parent association; and

23 (2) by transferring the substantial portion of its assets

1 and all of its insured deposits and part or all of its other  
2 liabilities to one or more subsidiary associations.

3 (b) In order to effect reorganization under subsection (a),  
4 the Board of Directors of the original association must approve  
5 a plan providing for such reorganization which shall be  
6 submitted for approval by a majority of the voting members of  
7 the association. Approval must occur at a meeting called by the  
8 Board of Directors and in accordance with the association's  
9 Articles of Incorporation and By-laws. The Secretary may  
10 ~~Commissioner shall~~ promulgate rules to regulate the formation  
11 of and the ongoing business of the subsidiaries and the holding  
12 company, including the rights of members, levels of investment  
13 in holding company subsidiaries and stock sales.

14 (Source: P.A. 85-1143.)

15 (205 ILCS 105/2-5) (from Ch. 17, par. 3302-5)

16 Sec. 2-5. Subscriptions to capital and temporary  
17 organization.

18 Upon receipt of the permit to organize an association, the  
19 applicants shall constitute the organization committee and  
20 shall perfect a temporary organization by electing a chairman,  
21 vice-chairman and a secretary of the association, who shall act  
22 as the temporary officers of such association until their  
23 successors are duly elected and qualified. Such temporary  
24 officers thereupon shall proceed to:

25 (a) Secure subscriptions for the required amount of capital

1 in form and manner approved by the Secretary ~~Commissioner~~; and

2 (b) Call a meeting of subscribers, who shall adopt articles  
3 of incorporation and elect at least 5 directors to serve until  
4 the first annual meeting of the association and until their  
5 successors are elected and qualified.

6 (Source: P.A. 84-543.)

7 (205 ILCS 105/3-2) (from Ch. 17, par. 3303-2)

8 Sec. 3-2. Members' meetings.

9 (a) Each annual meeting of the members shall be held at the  
10 time specified in the by-laws; but the failure to hold an  
11 annual meeting at the time so specified shall not work a  
12 forfeiture or dissolution of the association. The board of  
13 directors, or the holders of not less than 20% of the  
14 outstanding permanent reserve shares or of the withdrawal value  
15 of all withdrawable capital of the association, or such other  
16 person or persons as may be designated by the by-laws, may call  
17 a special meeting of the members. Every annual or special  
18 meeting shall be held at the business office of the  
19 association, or, if the space therein available for such  
20 meeting is inadequate, in such other place within the same  
21 county as shall be specifically designated in the notice of  
22 such meeting.

23 (b) Notice of an annual meeting shall be published once not  
24 less than 10 days nor more than 40 days before the date of the  
25 meeting and shall be posted in areas of public access at the

1 place of business of the association in a manner that may ~~to~~ be  
2 prescribed by the Secretary ~~Commissioner~~. Such notice shall be  
3 prominently and continuously displayed up to and including the  
4 day of the meeting beginning not less than 60 days immediately  
5 preceding the date of such meeting.

6 (c) However, for any special meeting, for any annual  
7 meeting which is to consider any proposition the affirmative  
8 action on which requires two-thirds vote as set forth in this  
9 Act, or for any proposition to amend the articles of  
10 incorporation of the association, the notice shall be by mail,  
11 post marked not less than 10 days or more than 40 days before  
12 the date of the meeting, and by posting at the association's  
13 place of business in a like manner as for an annual meeting,  
14 with such posting to commence on the date notice is given.  
15 Published or mailed notice shall state the place, day, hour and  
16 purpose of the meeting.

17 (d) A quorum at any meeting of the members shall consist of  
18 the members present in person or represented by proxy, who are  
19 entitled to cast a majority of the total number of votes which  
20 all members of the association are entitled to cast at such  
21 meeting; except that the articles of incorporation may specify  
22 some other quorum requirement, but not less than one-third of  
23 such total number of votes. Any meeting, including one at which  
24 a quorum is not present, may be adjourned by majority vote to a  
25 specified date without further notice.

26 (e) Voting at a meeting may be either in person or by proxy

1 executed in writing by the member or shareholder or by his duly  
2 authorized attorney-in-fact. No proxy shall be valid:

3 (1) Unless executed in an instrument separate from  
4 other forms, documents or papers which pertain to any  
5 matter of the association or a member's interest therein.  
6 The form of such instrument ~~may shall~~ be prescribed by the  
7 ~~Secretary Commissioner, who shall give due regard to size,~~  
8 ~~color, appearance and distinctiveness;~~

9 (2) For any meeting at which the member who gave it is  
10 present, provided that notice that the member will himself  
11 exercise his voting rights is given in writing prior to the  
12 taking of any vote to an official whom the association  
13 shall at each meeting identify as having responsibility for  
14 such matter and provided further that the validity and  
15 duration of such proxy will be otherwise unimpaired;

16 (3) Unless the member giving the proxy is told by the  
17 person to whom it is given, or his agent or representative,  
18 that the proxy is optional and the voting rights it  
19 represents can be exercised by the member himself; that if  
20 it is given it can be cancelled at any time by giving  
21 notice in writing at the association's office at least 5  
22 days prior to any meeting, and that meeting alone, at which  
23 the member is present and has given written notification of  
24 his intent to exercise his voting rights; the provisions of  
25 this paragraph shall only be applicable to associations not  
26 maintaining insurance of the association's withdrawable

1 capital;

2 (4) Unless the member giving the proxy is told by the  
3 person to whom it is given, or his agent or representative,  
4 the name of the individual who will exercise the proxy;  
5 that the effect of the proxy will be to entitle the person  
6 to whom it is given to use the vote or votes the proxy  
7 represents as if it or they were that person's own vote or  
8 votes; and that, if the proxy is given to someone  
9 representing the management of the association, the effect  
10 of the proxy will be to support the policies and procedures  
11 of the association's management; the provisions of this  
12 paragraph shall only be applicable to associations not  
13 maintaining insurance of the association's withdrawable  
14 capital; or

15 (5) After 11 months from the date of its execution,  
16 unless otherwise provided in the proxy and unless the  
17 member giving the proxy is notified in writing when it will  
18 terminate.

19 (f) In the determination of all questions requiring  
20 ascertainment of the members entitled to vote and of the number  
21 of outstanding shares, the following rules shall apply:

22 (1) The date of determination shall be as provided in  
23 the Section of this Act concerning Record Date for Voting,  
24 Dividend and Other Purposes;

25 (2) Each person holding one or more withdrawable share  
26 accounts shall have the vote of one share for each \$100 of

1 the aggregate withdrawal value of such accounts and shall  
2 have the vote of one share for any fraction of \$100;

3 (3) Each holder of permanent reserve shares shall have  
4 one vote for each permanent reserve share which he holds;

5 (4) Each borrowing member as such shall have the vote  
6 of one share in addition to any vote which he may have  
7 otherwise;

8 (5) Shares owned by the association shall not be  
9 counted or voted; and

10 (6) Notwithstanding anything contained in this Act to  
11 the contrary, an association authorized to issue permanent  
12 reserve shares may provide in the association's articles of  
13 incorporation that voting rights shall be vested  
14 exclusively in permanent reserve shareholders.

15 (Source: P.A. 89-355, eff. 8-17-95.)

16 (205 ILCS 105/3-6) (from Ch. 17, par. 3303-6)

17 Sec. 3-6. Officers; Suspension and removal of officers,  
18 directors and employees.

19 (a) The officers of an association shall consist of a  
20 president, one or more vice presidents, a secretary, a  
21 treasurer and such other officers as the by-laws shall provide,  
22 to be elected by the directors; if the by-laws so provide, any  
23 2 or more offices may be held by the same person, except that  
24 one person shall not hold the offices of president and  
25 secretary. The duties and powers of the secretary of the

1 association may be set forth in the by-laws of the association  
2 and may be exercised by any other officer designated by the  
3 board of directors.

4 (b) The existence of an association shall not terminate by  
5 reason of the failure to elect officers at the time mentioned  
6 in the by-laws, and each officer shall hold his office until  
7 his successor is elected and qualified.

8 (c) Whenever any officer, director or employee of an  
9 association or of a holding company operating under this Act is  
10 charged in any indictment with the commission of or  
11 participation in a crime involving the affairs of any  
12 association incorporated under this Act or of a holding company  
13 operating under this Act, a federal association or any other  
14 financial institution, the Secretary ~~Commissioner~~ may, by  
15 written notice served upon such officer, director or employee,  
16 suspend him from office. Such suspension shall remain in effect  
17 (unless such officer, director or employee sooner resigns or is  
18 not reappointed or reelected at the expiration of his term of  
19 office) until such officer, director or employee is convicted  
20 or is adjudged not guilty of such offense or the indictment is  
21 dismissed or otherwise disposed of. If such officer, director,  
22 or employee is convicted of such offense, he shall thereupon  
23 cease to be an officer, director, or employee of such  
24 association; but if he is found not guilty, his suspension  
25 shall automatically be terminated. The Secretary ~~Commissioner~~  
26 may request the Attorney General to file an action on his

1 behalf to enforce any order made under this subsection.

2 (d) The board of directors shall designate and determine  
3 the management structure of the association and elect or  
4 appoint all officers. Each of the officers elected or appointed  
5 by the board of directors shall serve at the pleasure of the  
6 board of directors or pursuant to a written employment contract  
7 between the officer and the association.

8 (e) Whenever the Secretary ~~Commissioner~~ determines that  
9 any officer, director or employee of an association or a  
10 holding company operating under this Act has committed a  
11 violation of any law, rule, regulation or order of the  
12 Secretary ~~Commissioner~~, and that such violation or continued  
13 violation may result in a substantial financial loss or other  
14 substantial damage to the association or holding company or  
15 that the interests of its members may be seriously prejudiced  
16 by such violation or continued violation, the Secretary  
17 ~~Commissioner~~ shall notify such officer, director or employee of  
18 his intention to issue an order and may thereafter issue an  
19 order suspending such person from office or prohibiting his  
20 participation in the conduct of the affairs of the association  
21 or holding company, or both. The notice to such person shall  
22 contain a statement of facts constituting the grounds for such  
23 order; shall fix a time when such order will be issued; and  
24 shall state the effective date of such order, which shall be  
25 not less than 10 days after the date of the order. A copy of  
26 such notice and order shall be sent to the association or

1 holding company. Such order shall be and remain in effect from  
2 the effective date specified in the notice provided for under  
3 this Section until such time as the order is removed by the  
4 Secretary ~~Commissioner~~ or until the order is removed, modified  
5 or stayed pursuant to the Administrative Review Law.

6 (f) Officers and directors of any entity operating under  
7 this Act shall also disclose to the Secretary ~~Commissioner~~ any  
8 and all criminal proceedings in which they have been a party or  
9 participated which resulted in a grant of immunity from  
10 prosecution, a conviction, a plea of nolo contendere or its  
11 equivalent, or which are currently pending.

12 (Source: P.A. 86-137.)

13 (205 ILCS 105/3-7) (from Ch. 17, par. 3303-7)

14 Sec. 3-7. Bonds of officers and employees.

15 (a) Every person appointed or elected to any position  
16 requiring the receipt, payment, management or use of money  
17 belonging to an association, or whose duties permit him to have  
18 access to or custody of any of its money or securities or whose  
19 duties permit him regularly to make entries in the books or  
20 other records of the association, before assuming his duties  
21 shall become bonded in some trust or company authorized to  
22 issue bonds in this state, or in a fidelity insurance company  
23 licensed to do business in this State. Each such bond shall be  
24 on a form or forms as the Secretary ~~may Commissioner shall~~  
25 require and in such amount as the board of directors shall fix

1 and approve. Each such bond, payable to the association, shall  
2 be an indemnity for any loss the association may sustain in  
3 money or other property through any dishonest or criminal act  
4 or omission by any person required to be bonded, committed  
5 either alone or in concert with others. Such bond shall be in  
6 the form and amount prescribed by the Secretary ~~Commissioner~~,  
7 who may at any time require one or more additional bonds. Each  
8 bond shall provide that a cancellation thereof either by the  
9 surety or by the insured shall not become effective unless and  
10 until 30 days notice in writing first shall have been given to  
11 the Secretary ~~Commissioner~~, unless he shall have approved such  
12 cancellation earlier.

13 (b) Nothing contained herein shall preclude the Secretary  
14 ~~Commissioner~~ from proceeding against an association as  
15 provided in this Act should he believe that it is being  
16 conducted in an unsafe manner in that the form or amount of  
17 bonds so fixed and approved by the board of directors is  
18 inadequate to give reasonable protection to the association.

19 (Source: P.A. 96-1365, eff. 7-28-10.)

20 (205 ILCS 105/5-7) (from Ch. 17, par. 3305-7)

21 Sec. 5-7. Sale, assignment and servicing of loans and  
22 contracts.

23 (a) Any association may sell any loan or a participating  
24 interest in a loan at any time, in the usual and regular course  
25 of business. All loans sold shall be sold without recourse

1 except as may otherwise be provided by regulations of the  
2 Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ may, by  
3 regulation, adopt limitations upon the sale of loans. The  
4 provisions of this paragraph (a) do not apply to the sale of  
5 loans to agencies of the United States or the State of Illinois  
6 or such other government sponsored agencies as may be approved  
7 by the Secretary ~~Commissioner~~.

8 (b) An association may contract to service a loan or a  
9 participating interest in a loan, but such a contract shall  
10 conform to any ~~the~~ pertinent regulations prescribed by the  
11 Secretary ~~Commissioner~~ and shall require sufficient  
12 compensation to reimburse the association for all expenses  
13 incurred under such contract.

14 (c) An association may sell and assign without recourse any  
15 master's certificate of sale, defaulted loan or defaulted real  
16 estate contract to any person eligible to purchase the same,  
17 for an amount not less than the fair cash market value thereof.

18 (Source: P.A. 84-543.)

19 (205 ILCS 105/6-2.1) (from Ch. 17, par. 3306-2.1)

20 Sec. 6-2.1. Procedure to amend articles of incorporation  
21 for name change.

22 (a) Notwithstanding the requirements of Section 6-2 of this  
23 Act, an association, after commencing business, may amend its  
24 articles of incorporation ~~Notwithstanding any provision of~~  
25 ~~this Act to the contrary, the Commissioner may waive the~~

1 ~~requirements of Section 6-2 if the proposed amendment is~~ solely  
2 for purposes of changing the name of the association, ~~and~~ upon  
3 satisfactory completion of the following requirements:

4 (1) Submission by the board of directors of a certified  
5 resolution approving the proposed name change and  
6 approving a plan for notifying all parties who may be  
7 affected by the change, including, but not limited to,  
8 members, account holders, borrowers, creditors, and  
9 parties to whom or with whom commitments of any type are  
10 pending name change by unanimous vote of all members of the  
11 board.

12 (2) The new name, as determined by the Secretary, meets  
13 the requirements for names under this Act or rules adopted  
14 by the Secretary. ~~Submission by the board of an attorney's~~  
15 ~~opinion that the proposed name is not the same as the name~~  
16 ~~of any other financial institution in Illinois.~~

17 Upon satisfactory completion of these requirements, the  
18 Secretary shall issue an approved amendment to the articles  
19 of incorporation as provided for in subsection (d) of  
20 Section 6-2 of this Act.

21 ~~(3) Submission of a detailed statement to the~~  
22 ~~Commissioner by the board of directors stating the grounds~~  
23 ~~for their belief that a vote of members would be~~  
24 ~~detrimental to the association's safety and soundness.~~

25 ~~(4) Submission of a plan for notifying all parties who~~  
26 ~~would be affected by the change, including a list of~~

1 ~~creditors, and parties to whom or with whom, commitments of~~  
2 ~~any type may be pending.~~

3 ~~(5) Satisfactory evidence that the name change is not~~  
4 ~~for fraudulent, illegal or misleading purposes.~~

5 ~~Upon receipt of the above items the Commissioner shall~~  
6 ~~issue an approved amendment to the articles of~~  
7 ~~incorporation as provided for in subsection (d) of Section~~  
8 ~~6-2 of this Act.~~

9 (b) No amendment of the articles of incorporation to change  
10 the name of an association shall affect any existing cause of  
11 action either in favor of or against the association, or any  
12 pending action in which the association shall be a party, nor  
13 shall it affect the existing rights of persons other than  
14 members of the association. No action brought by or against the  
15 association under its former name shall be abated by reason of  
16 the change.

17 (Source: P.A. 86-137.)

18 (205 ILCS 105/6-4) (from Ch. 17, par. 3306-4)

19 Sec. 6-4. Merger; Adoption of plan. Any depository  
20 institution may merge into an association operating under this  
21 Act; any association operating under this Act may merge into a  
22 depository institution. ~~Any 2 or more associations operating~~  
23 ~~under this Act or under Federal charter and located in this~~  
24 ~~State, or duly authorized to do business in this State, may~~  
25 ~~merge into one association operating under this Act. Any~~

1 ~~association operating under this Act that does not meet its net~~  
2 ~~worth requirements, as defined by regulations of the~~  
3 ~~Commissioner, and any federal association may merge into one~~  
4 ~~association operating under this Act or under federal charter~~  
5 ~~and located in this State. Any association operating under this~~  
6 ~~Act and an eligible insured bank may merge into an association~~  
7 ~~operating under this Act, provided that an association~~  
8 ~~operating under this Act must result from the merger. Any~~  
9 ~~association operating under this Act may merge into a State or~~  
10 ~~national bank with a bank resulting from the merger. The board~~  
11 of directors of the merging association or depository  
12 institution, State or national bank, or eligible insured bank,  
13 by resolution adopted by a majority vote of all members of the  
14 board, must approve the plan of merger, which shall set forth:

15 (a) The name of each of the merging associations or  
16 depository institutions, State or national bank, or eligible  
17 ~~insured bank~~ and the name of the continuing association or  
18 depository institution bank and the location of its business  
19 office;

20 (b) The amount of capital, reserves, and undivided profits  
21 of the continuing association or depository institution bank  
22 and the kinds of shares and other types of capital to be issued  
23 thereby;

24 (c) The articles of incorporation of the continuing  
25 association or charter of the continuing depository  
26 institution bank;

1 (d) A detailed pro forma financial Statement of the assets  
2 and liabilities of the continuing association or depository  
3 institution bank;

4 (e) The manner and basis of converting the capital of each  
5 merging association or depository institution, ~~State or~~  
6 ~~national bank or eligible insured bank into~~ capital of the  
7 continuing association or depository institution bank;

8 (f) The other terms and conditions of the merger and the  
9 method of effectuating it; and

10 (g) Other provisions with respect to the merger that appear  
11 necessary or desirable or that the Secretary Commissioner may  
12 reasonably require to enable him to discharge his duties with  
13 respect to the merger.

14 (h) The Secretary Commissioner may promulgate rules to  
15 implement this Section.

16 (Source: P.A. 86-952; 87-1226.)

17 (205 ILCS 105/6-5) (from Ch. 17, par. 3306-5)

18 Sec. 6-5. Merger; approval by Secretary Commissioner.

19 (a) The plan of merger adopted as authorized by Section  
20 6-4, except when the merger results in a State or national  
21 bank, shall be submitted to the Secretary Commissioner for  
22 approval, together with a certified copy of the authorizing  
23 resolution of each board of directors, showing approval by a  
24 majority of the entire board of each merging association or  
25 eligible insured bank operating under this Act or merging

1 federal association.

2 (b) The Secretary ~~Commissioner~~ may make or cause to be made  
3 an examination of the affairs of ~~each~~ of the merging  
4 associations or depository institutions under the Secretary's  
5 authority ~~eligible insured bank~~.

6 (c) The Secretary ~~Commissioner~~ may approve the plan of  
7 merger, or if the Secretary ~~Commissioner~~ disapproves the plan  
8 of merger, he shall state ~~state~~ his objections in writing and  
9 give the merging associations or depository institution  
10 ~~eligible insured bank~~ an opportunity to amend the plan of  
11 merger to address ~~obviate~~ the objections. The Secretary  
12 ~~Commissioner~~ may require that the plan of merger be submitted  
13 to the members of the merging association for approval. Each  
14 meeting of the members of an association operating under this  
15 Act shall be called and held in accordance with Section 3-2 of  
16 this Act. The plan is approved by the members of an association  
17 if it receives the affirmative vote of two-thirds or more of  
18 the total votes that the members of the association are  
19 entitled to cast.

20 (Source: P.A. 86-952; 87-1226.)

21 (205 ILCS 105/6-7) (from Ch. 17, par. 3306-7)

22 Sec. 6-7. Merger - Secretary's ~~Commissioner's~~ certificate;  
23 effective date.

24 (a) If the plan of merger is approved, the Secretary  
25 ~~Commissioner~~ thereupon shall issue to the continuing

1 association a certificate of merger, setting forth the name of  
2 each merging association or depository institution ~~eligible~~  
3 ~~insured bank~~ and the name of the continuing association, and  
4 the articles of incorporation of the continuing association;  
5 and attaching thereto, as a part thereof, a copy of the  
6 resolution of the directors of each merging association or  
7 depository institution ~~eligible insured bank~~ and a copy of the  
8 report of proceedings of the members' meeting, if required  
9 under paragraph (c) of Section 6-5 of this Act.

10 (b) The merger takes effect upon the recording of the  
11 certificate of merger in the same manner as articles of  
12 incorporation, in each county in which the business office of  
13 any of the merging associations or depository institution  
14 ~~eligible insured bank~~ was located, and in the county in which  
15 the business office of the continuing association is located.

16 (c) When duly recorded, the certificate of merger is  
17 conclusive evidence, except against the State, of the merger  
18 and of the correctness and validity of all proceedings in  
19 connection with the merger.

20 (Source: P.A. 86-952.)

21 (205 ILCS 105/6-8) (from Ch. 17, par. 3306-8)

22 Sec. 6-8. Merger; Secretary's ~~Commissioner's~~ expenses. The  
23 expenses of any examination made by or at the direction of the  
24 Secretary ~~Commissioner~~ in connection with a proposed merger  
25 shall be paid by the continuing associations or depository

1 institutions under the Secretary's authority ~~resulting bank~~.

2 (Source: P.A. 86-952; 87-1226.)

3 (205 ILCS 105/6-9) (from Ch. 17, par. 3306-9)

4 Sec. 6-9. Effect of merger.

5 (a) The continuing association or depository institution  
6 ~~resulting bank~~ shall be considered the same business and  
7 corporate entity as each merging association, with all of the  
8 property, rights, powers, duties and obligations of each  
9 merging association, except as otherwise provided by the  
10 articles of incorporation of the continuing association or  
11 depository institution ~~resulting bank~~.

12 (b) All liabilities of each of the merging association or  
13 depository institution ~~associations, resulting bank, or~~  
14 ~~eligible insured bank~~ shall be liabilities of the continuing  
15 association or resulting bank; and all of the rights,  
16 franchises, and interests of each of the merging associations  
17 or eligible insured bank in and to every kind of property,  
18 real, personal or mixed, shall vest automatically in the  
19 continuing association or depository institution ~~resulting~~  
20 ~~bank~~, without any deed or other transfer.

21 (c) Any reference to a merging association or depository  
22 institution, ~~resulting bank, or eligible insured bank~~ in any  
23 writing, whether executed or effective before or after the  
24 merger, shall be deemed a reference to the continuing  
25 association or depository institution ~~resulting bank~~, if not

1 inconsistent with the other provisions of such writing.

2 (d) No pending action or other judicial proceeding to which  
3 any merging association or depository institution, ~~resulting~~  
4 ~~bank, or eligible insured bank~~ is a party shall be abated or  
5 dismissed by reason of the merger, but shall be prosecuted to  
6 final judgment in the same manner as if the merger had not  
7 occurred.

8 (e) (Blank). ~~With respect to a merger with an eligible~~  
9 ~~insured bank, an association operating under this Act must~~  
10 ~~result from the merger, and provided further that the~~  
11 ~~association must conform all assets acquired or liabilities~~  
12 ~~incurred as the result of the merger to the legal requirements~~  
13 ~~for assets acquired, held, or invested or liabilities assumed~~  
14 ~~or incurred by an association operating under this Act and that~~  
15 ~~the continuing association shall conform all of its activities~~  
16 ~~to those activities in which an association operating under~~  
17 ~~this Act is authorized to engage.~~

18 (Source: P.A. 86-952; 87-1226.)

19 (205 ILCS 105/6-10) (from Ch. 17, par. 3306-10)

20 Sec. 6-10. Sale of assets.

21 (a) An association, in one transaction not in the usual and  
22 regular course of its business, may sell all or substantially  
23 all of its assets, with or without its name and goodwill, to  
24 another association or depository institution ~~to a Federal~~  
25 ~~association~~, in consideration of money, capital or obligations

1 of the purchasing association or depository institution. An  
2 association may sell any office or facility and equipment in  
3 conformity with regulations of the Secretary Commissioner.

4 (b) Emergency sale of assets. With the approval in writing  
5 of the Secretary Commissioner, which approval shall state that  
6 the proposed sale is, in his opinion, necessary for the  
7 protection of the depositors and other creditors, any  
8 association that is an eligible depository institution as  
9 defined in Section 2 of the Illinois Banking Act may by a vote  
10 of a majority of its board of directors, and without a vote of  
11 its members or permanent reserve shareholders, sell all or any  
12 part of its assets to another association or depository  
13 institution ~~State or Federally chartered association or to a~~  
14 ~~bank as defined in Section 2 of the Illinois Banking Act or to~~  
15 ~~the Federal Deposit Insurance Corporation, or to both a State~~  
16 ~~or Federally chartered association or bank and the Federal~~  
17 ~~Deposit Insurance Corporation~~, provided that the purchasing a  
18 ~~State or Federally chartered~~ association or depository  
19 institution ~~bank~~ assumes in writing all of the liabilities of  
20 the selling association ~~and that any such sale to a bank shall~~  
21 ~~be by an eligible depository institution as defined in Section~~  
22 ~~2 of the Illinois Banking Act.~~

23 (c) Notwithstanding any other provision of this Act, an  
24 association may sell to an association or depository  
25 institution ~~any bank, as defined in Section 2 of the Illinois~~  
26 ~~Banking Act~~, an insubstantial portion of its total deposits.

1 ~~For the purpose of this subsection, an insubstantial portion of~~  
2 ~~its total deposits shall have the same meaning as provided in~~  
3 ~~Section 5(d)(2)(D) of the Federal Deposit Insurance Act.~~ Such  
4 sale of an insubstantial portion of an association's deposits  
5 may be by vote of a majority of the board of directors, and  
6 with approval of the Secretary Commissioner without a vote of  
7 its members or permanent reserve shareholders.

8 (Source: P.A. 86-952.)

9 (205 ILCS 105/6-11) (from Ch. 17, par. 3306-11)

10 Sec. 6-11. Procedure to effect sale of all assets. The  
11 procedure to effect a sale authorized by subsection (a) of  
12 Section 6-10 shall be as follows:

13 (a) The board of directors shall adopt a resolution setting  
14 forth the terms of the proposed sale and shall submit the plan  
15 to the Secretary Commissioner for his preliminary approval.  
16 Upon receipt of approval by the Secretary Commissioner, the  
17 plan shall be submitted to a vote at a meeting of the members,  
18 which may be an annual or special meeting;

19 (b) The terms shall be set forth in the notice of meeting  
20 mailed as prescribed in Section 3-2 of this Act;

21 (c) The proposed sale will be approved by the members upon  
22 receiving in the affirmative 2/3 or more of the total number of  
23 votes which all members of the association are entitled to  
24 cast. A proposal for the voluntary liquidation of the  
25 association shall be submitted to the members at the same

1 meeting or at any adjournment thereof, or at any later meeting  
2 called for such purpose, in accordance with Article 9 of this  
3 Act. A report of proceedings, certified by the president or a  
4 vice-president and attested by the secretary of the  
5 association, and setting forth the terms of the proposed sale,  
6 the notice given and time of mailing thereof, the vote on the  
7 proposal, and the total number of votes which all members of  
8 the association were entitled to cast thereon, shall be filed  
9 with the Secretary ~~Commissioner~~;

10 (d) If the Secretary ~~Commissioner~~ finds that the proposed  
11 sale is fair to all holders of capital, creditors and other  
12 persons concerned, and provision has been made for the  
13 disposition of the remaining assets, if any, of the association  
14 as provided in this Act for reorganization or voluntary  
15 liquidation, then he shall issue to the association a  
16 certificate of authorization for such sale, attaching thereto,  
17 as a part thereof, a copy of the report of proceedings filed as  
18 aforesaid;

19 (e) Upon recording the Secretary's ~~Commissioner's~~  
20 certificate in the same manner as the association's articles of  
21 incorporation, the association may complete the sale so  
22 authorized; except that an insured association first shall  
23 obtain the approval of the insurance corporation;

24 (f) If the sale includes the name of the association, the  
25 purchasing depository institution ~~association~~ shall have the  
26 exclusive right to such name for a period of 5 years; and

1 (g) If the association has failed to adopt a plan of  
2 voluntary liquidation, the Secretary ~~Commissioner~~ may proceed  
3 against such association as provided in Article 10 of this Act.  
4 (Source: P.A. 86-952.)

5 (205 ILCS 105/6-12) (from Ch. 17, par. 3306-12)

6 Sec. 6-12. Conversion from State to Federal association.  
7 Any association operating under this Act may become a Federal  
8 association pursuant to the laws and regulations of the United  
9 States and in accordance with the following procedure:

10 (a) The board of directors shall approve a plan of  
11 conversion by resolution adopted by majority vote of all of the  
12 directors. The plan shall set forth, among other terms:

13 (1) A financial statement of the association as of the  
14 last business day of the month preceding the adoption of  
15 the plan;

16 (2) The disposition of withdrawable capital and  
17 permanent reserve capital, if any;

18 (3) Adjustments, if any, in the value of the  
19 withdrawable accounts when exchanged for comparable  
20 accounts in the Federal association;

21 (4) The disposition of any segregated surplus  
22 established under Section 4-5 of this Act;

23 (5) The disposition of any obligations or liabilities;  
24 and

25 (6) Such other information as may be required by the

1           Secretary Commissioner;

2           (b) The plan shall not be submitted to the members until  
3 approved by the Secretary Commissioner;

4           (c) The Secretary Commissioner may approve the plan; or if  
5 the Secretary Commissioner disapproves the plan, he shall state  
6 his objections in writing and give the converting association  
7 an opportunity to amend the plan to obviate such objections.  
8 Approval shall be given in such case if the Secretary  
9 ~~Commissioner~~ finds that the plan meets the requirements of this  
10 Act and the plan is equitable and protects the rights of all  
11 persons affected, including such contingent interests as  
12 theretofore may have been created in the segregated surplus, if  
13 any;

14           (d) After receipt of such approval from the Secretary  
15 ~~Commissioner~~, the plan of conversion shall be mailed to each  
16 member and may be submitted to a vote at an annual or special  
17 meeting of the members. The plan will be adopted upon receiving  
18 in the affirmative 2/3 or more of the total number of votes  
19 which all members of the association are entitled to cast. A  
20 report of proceedings at such meeting, certified by the  
21 president or a vice-president and attested by the secretary of  
22 the association, shall be filed promptly with the Secretary  
23 ~~Commissioner~~;

24           (e) Within 90 days after the date of such meeting, the  
25 association shall take the action prescribed and authorized by  
26 the laws and regulations of the United States to complete its

1 conversion to a Federal association; and

2 (f) Upon receipt of a Federal charter, the association  
3 shall file promptly with the Secretary ~~Commissioner~~ either a  
4 copy of such charter or a certificate of the appropriate  
5 Federal officers setting forth the facts concerning the  
6 issuance of such charter; and upon recording the charter in the  
7 same manner as the association's articles of incorporation, the  
8 association shall cease to be an association operating under  
9 this Act.

10 (Source: P.A. 84-543.)

11 (205 ILCS 105/6-13) (from Ch. 17, par. 3306-13)

12 Sec. 6-13. Conversion from Federal to State association.  
13 Any Federal association may become an association operating  
14 under this Act, pursuant to the laws and regulations of the  
15 United States and in accordance with the following procedure:

16 (a) The board of directors shall adopt a plan of  
17 conversion, which shall set forth, among other terms, the  
18 provisions required in sub-section (a) of the preceding Section  
19 of this Act. Such plan and resolution shall be submitted to the  
20 Secretary ~~Commissioner~~;

21 (b) If the Secretary ~~Commissioner~~, after appropriate  
22 examination, shall find that the association complies  
23 sufficiently with the requirements of this Act to entitle it to  
24 become an association operating under this Act, he shall  
25 approve the plan of conversion. However, he may prescribe terms

1 and conditions, to be fulfilled either prior to or after the  
2 conversion, to cause the association to conform with the  
3 requirements of this Act;

4 (c) After receipt of the Secretary's ~~Commissioner's~~  
5 approval, the plan of conversion may be submitted at an annual  
6 or special meeting of the members; and the plan will be adopted  
7 upon receiving in the affirmative 2/3 or more of the total  
8 number of votes which all members of the association are  
9 entitled to cast. Thereupon, such action shall be taken to  
10 adopt articles of incorporation, to elect directors, to adopt  
11 by-laws and to elect officers as is prescribed for a new  
12 association in the Article of this Act concerning Incorporation  
13 and Organization. A report of proceedings at such meeting,  
14 certified by the president or a vice-president and attested by  
15 the secretary of the association, shall be filed promptly with  
16 the Secretary ~~Commissioner~~;

17 (d) If the Secretary ~~Commissioner~~ finds that such  
18 proceedings have been in accordance with the provisions of this  
19 Section, he shall issue a certificate of conversion, setting  
20 forth the articles of incorporation and attaching, as a part of  
21 the certificate, a copy of the report of proceedings filed as  
22 aforesaid; and

23 (e) The conversion shall become effective upon the  
24 recording of the certificate of conversion in the manner  
25 required by this Act for the recording of articles of  
26 incorporation.

1 (Source: P.A. 84-543.)

2 (205 ILCS 105/6-15) (from Ch. 17, par. 3306-15)

3 Sec. 6-15. Emergency merger. With the prior approval of the  
4 Secretary Commissioner, which approval shall state that the  
5 proposed merger is in his opinion necessary for the protection  
6 of the depositors and other creditors, any association that is  
7 an eligible depository institution as defined in Section 2 of  
8 the Illinois Banking Act, may by a vote of a majority of its  
9 board of directors and without a vote of its members or  
10 permanent reserve shareholders merge with an association or  
11 depository institution, ~~federal association, or bank as~~  
12 ~~defined in Section 2 of the Illinois Banking Act,~~ with such  
13 other association or depository institution, ~~federal~~  
14 ~~association, or bank~~ being the resulting or continuing  
15 association or depository institution, ~~federal association or~~  
16 ~~bank~~.

17 (Source: P.A. 86-952.)

18 (205 ILCS 105/6-16 new)

19 Sec. 6-16. Waiver of requirements. Notwithstanding any  
20 provision of this Article, the requirements imposed by this  
21 Article on an association that seeks to convert to, merge into,  
22 or sell substantially all of its assets to a depository  
23 institution that is not an association shall be no more  
24 burdensome or restrictive than the requirements imposed by

1 federal or other State law on a depository institution that is  
2 not an association that seeks to convert to, merge into, or  
3 sell substantially all of its assets to an association. The  
4 Secretary may waive any such requirement imposed by this  
5 Article that is more burdensome or restrictive.

6 (205 ILCS 105/7-5) (from Ch. 17, par. 3307-5)

7 Sec. 7-5. Examination.

8 (a) The Secretary ~~Commissioner~~, at least once every 18  
9 months, but more often if he deems it necessary or expedient,  
10 with or without previous notice, shall cause an examination to  
11 be made of the affairs of every association, including any  
12 holding company and subsidiary thereof. If an association or  
13 holding company has not been audited at least once in the  
14 preceding 12 months in accordance with this Act, the  
15 examination shall include an audit by licensed public  
16 accountants employed or appointed by the Secretary  
17 ~~Commissioner~~. Such examination shall be made by competent  
18 examiners appointed for that purpose who are not officers or  
19 agents of, or in any manner interested in, any association or  
20 holding company which they examine, except that they may be  
21 holders of withdrawable capital. Notwithstanding any other  
22 provision of this Act, every eligible association, as defined  
23 by regulation, or, if not so defined, to an equivalent extent  
24 as would be permitted in the case of a State bank, the  
25 Secretary, in lieu of the examination, may accept on an

1 alternating basis the examination made by the appropriate  
2 federal banking regulator, or its successor, pursuant to the  
3 federal Home Owners' Loan Act, provided the appropriate federal  
4 banking regulator, or its successor, has made an examination.

5 (b) The officers, agents or directors of any such  
6 association or holding company shall cause the books of the  
7 association or holding company to be opened for inspection by  
8 the Secretary ~~Commissioner~~ or his examiners and otherwise  
9 assist in such examination when requested; and for the purpose  
10 of examination, the examiner in charge thereof shall have power  
11 to administer oaths and to examine under oath any officers,  
12 employees, agents or directors of such association or holding  
13 company and such other witnesses as he deems necessary relative  
14 to the business of the association or holding company.

15 (c) The Secretary ~~Commissioner~~ shall make a report of each  
16 examination to the board of directors of the association or  
17 holding company examined, which report shall be read by each  
18 director, who will then execute a signed statement ~~affidavit~~ to  
19 be filed and preserved by the association or holding company  
20 ~~acknowledging~~ that he has read the Secretary's ~~Commissioner's~~  
21 report. If the affairs of the association or holding company  
22 are not being conducted in accordance with this Act, the  
23 Secretary ~~Commissioner~~ shall require the directors, officers  
24 or employees to take any necessary corrective action. If the  
25 necessary corrective action is not made, the Secretary  
26 ~~Commissioner~~ may issue a formal order to the directors of the

1 association or holding company delivered either personally or  
2 by registered or certified mail, specifying a date which may be  
3 immediate or may be at a later date for the performance by the  
4 association or holding company of the corrective action. ~~Such~~  
5 ~~order or any part thereof shall be subject to Sections 7-24~~  
6 ~~through 7-27 of this Act.~~ If the formal order of the Secretary  
7 ~~Commissioner~~ in whole or in part contains a finding that the  
8 business of the association or holding company is being  
9 conducted in a fraudulent, illegal or unsafe manner, or that  
10 the violation thereof or the continuance by the association or  
11 holding company of the practice to be corrected could cause  
12 insolvency or substantial dissipation of assets or earnings or  
13 the impairment of its capital, such order or part thereof shall  
14 be complied with promptly on and after the effective date  
15 thereof until modified or withdrawn by the Secretary  
16 ~~Commissioner, the Board,~~ or modified or terminated by a circuit  
17 court. The Secretary ~~Commissioner~~ may apply to the circuit  
18 court of the county in which the association or holding company  
19 is located for enforcement of any such order requiring prompt  
20 compliance. If no hearing has been requested within the time  
21 specified by this Act, the Secretary ~~Commissioner~~ may, at any  
22 time within 90 days after the effective date of the order,  
23 institute suit in the Circuit Court of Sangamon County or the  
24 circuit court of the county in which the association or holding  
25 company is located to compel the directors, officers or  
26 employees to make the required corrective action. Such court

1 shall, after due process of law, adjudicate the question and  
2 enter the proper order or orders and enforce them. ~~In the~~  
3 ~~interests of the members of the association or holding company,~~  
4 ~~the Commissioner may prepare a statement of the condition of~~  
5 ~~the association or holding company and may mail the statement~~  
6 ~~to the members or may require a single publication thereof.~~

7 (Source: P.A. 96-1365, eff. 7-28-10.)

8 (205 ILCS 105/7-7) (from Ch. 17, par. 3307-7)

9 Sec. 7-7. Reports to Secretary ~~Commissioner~~ and members;  
10 penalty.

11 (a) Every association operating under this Act shall file  
12 with the Secretary ~~Commissioner~~ within 90 days following the  
13 close of each fiscal year of such association a statement  
14 showing its financial condition at the close of the fiscal year  
15 and its operations for the year then ended. For good cause  
16 shown in writing directed to the Secretary ~~Commissioner~~ within  
17 the 90 day period, the Secretary ~~Commissioner~~ may authorize up  
18 to 60 additional days for filing of the statement of financial  
19 condition. Each such statement shall be on forms prescribed by  
20 the Secretary ~~Commissioner~~ and in conformity with generally  
21 accepted accounting principles or regulatory accounting  
22 principles permitted, recognized or authorized by the Office of  
23 Thrift Supervision, or its successor, for a federal association  
24 and subject to the rules and regulations of the Secretary  
25 ~~Commissioner~~ and in accord with the provisions of this Act.

1 Each such statement shall contain such information and be in  
2 such form as prescribed by the Secretary ~~Commissioner~~ and shall  
3 be verified by the secretary of the association and certified  
4 by a licensed public accountant appointed by the board of  
5 directors or by 2 officers of the association, if a licensed  
6 public accountant has been appointed to audit the books and  
7 records of the association as provided in the preceding Section  
8 of this Act. Every association including its holding company  
9 and subsidiaries shall also file such other reports as the  
10 Secretary ~~Commissioner~~ may require from time to time.

11 Any association which, after notice from the Secretary  
12 ~~Commissioner~~ sent by certified or registered mail, wilfully  
13 fails to submit within the time prescribed the annual financial  
14 report required by this Section is subject to a civil penalty  
15 of not more than \$500 for each such failure. Any association  
16 which, after notice from the Secretary ~~Commissioner~~ sent by  
17 certified or registered mail, wilfully fails to submit within  
18 the time prescribed any other report required by this Section  
19 is subject to a civil penalty of not more than \$100 for each  
20 such failure (which penalties shall be cumulative to any other  
21 remedies). For the purposes of this Section, the date on which  
22 any report required by this Section is postmarked is the date  
23 of filing of any such report. The knowing or intentional filing  
24 of any such report which is false in any material respect  
25 constitutes a felony, and any person convicted thereof shall be  
26 punished by a fine of not more than \$10,000, or imprisonment in

1 the penitentiary for one to 5 years, or both.

2 (b) An association shall file with the Secretary  
3 ~~Commissioner~~ a report of change of ownership of permanent  
4 reserve shares when such change of ownership results in any  
5 person as defined by this Act holding 10% or more, through any  
6 one transaction or related series of transactions, of the  
7 outstanding permanent reserves shares of the association. Such  
8 report shall include owners who hold as beneficiaries or  
9 through nominees as well as in their own names. The report  
10 shall be made within 5 business days after knowledge of such  
11 change has been obtained by the officer authorized or required  
12 to make reports to the Secretary ~~Commissioner~~. The Secretary  
13 ~~Commissioner~~ also may require any such person owning 10% or  
14 more of permanent reserve shares to report the beneficiary or  
15 beneficiaries for whom he is holding title.

16 Whenever there is a change in the managing officer of an  
17 association or a change amounting to a majority of the  
18 directors of an association elected at a regular or special  
19 meeting of the members, such change shall likewise be reported  
20 within 5 business days to the Secretary ~~Commissioner~~.

21 The willful failure by any person required to report or  
22 disclose change of ownership or control as defined in this  
23 Section constitutes a Class 4 felony.

24 (c) Within 60 days after the date of filing the Statement  
25 of Financial Condition with the Secretary ~~Commissioner~~, the  
26 association shall mail to each member or make available at each

1 of its offices the annual statement of condition or a condensed  
2 form thereof approved by the Secretary ~~Commissioner~~, or shall  
3 publish the same at least once, and shall also furnish upon the  
4 written or personal request of any member a copy of the  
5 complete annual statement of condition. The annual statement of  
6 condition, or any condensed form thereof, made available to  
7 members by publication, mailing, or at the association's  
8 offices shall include a statement setting forth the  
9 association's assets, liabilities, regulatory capital and  
10 deposits. In addition, the statement shall include a statement  
11 of the association's goals and intentions in regard to  
12 investment of the association's funds in order to reasonably  
13 inform the member as to the security of his interest.  
14 Notification of the availability of the complete annual  
15 statement shall be prominently and conspicuously posted in  
16 areas of public access at each of the association's branches or  
17 offices.

18 (d) Any change of control or ownership of 25% or more of  
19 the permanent reserve shares or stock of (a) any association  
20 operating under this Act, or (b) of the shares or stock of a  
21 subsidiary of the parent or a subsidiary of any association  
22 operating under this Act, must be submitted to the Secretary  
23 ~~Commissioner~~ for review and approval on forms, conditions and  
24 terms to be specified by the Secretary ~~Commissioner~~. The  
25 Secretary ~~Commissioner~~ may accept in satisfaction of this  
26 requirement, submissions required under federal statutes and

1 regulations for changes of control. Any doubt as to whether a  
2 change of ownership or other change in the outstanding voting  
3 stock of any association is sufficient to result in a change of  
4 ownership or control, shall be resolved in favor of reporting  
5 the facts to the Secretary ~~Commissioner~~. Compliance with this  
6 provision shall not relieve an association, its parent or  
7 affiliate from complying with other applicable State or federal  
8 statutes or regulations. The Secretary ~~Commissioner~~ may  
9 disapprove any proposed acquisition if:

10 (1) The proposed acquisition of control would result in  
11 a monopoly or would be in furtherance of any combination or  
12 conspiracy to monopolize or to attempt to monopolize the  
13 savings and loan business in any part of Illinois;

14 (2) The effect of the proposed acquisition of control  
15 in any section of the State may be substantially to lessen  
16 competition or to tend to create a monopoly or the proposed  
17 acquisition of control would in any other manner be in  
18 restraint of trade, and the anticompetitive effects of the  
19 proposed acquisition of control are not clearly outweighed  
20 in the public interest by the probable effect of the  
21 transaction in meeting the convenience and needs of the  
22 community to be served;

23 (3) The financial condition or history of any acquiring  
24 person is such as might jeopardize the financial stability  
25 of the institution or prejudice the interests of the  
26 depositors of the institution;

1           (4) The competence, experience, or integrity of any  
2           acquiring person or any of the proposed management  
3           personnel indicates that it would not be in the interest of  
4           the depositors of the institution or in the interest of the  
5           public to permit such person to control the institution; or

6           (5) Any acquiring person neglects, fails or refuses to  
7           furnish the Secretary ~~Commissioner~~ all the information  
8           required by the Secretary ~~Commissioner~~.

9           (Source: P.A. 93-271, eff. 7-22-03.)

10           (205 ILCS 105/7-15) (from Ch. 17, par. 3307-15)

11           Sec. 7-15. Notice of custody; action to enjoin. Immediately  
12           upon taking custody of an association or trust, the Secretary  
13           ~~Commissioner~~ shall mail a written notice thereof to the  
14           president or secretary of the association and to not less than  
15           2 directors of such association or to 2 or more of the trustees  
16           of any trust or to 2 or more of the liquidators of an  
17           association in liquidation. If the contention is made that the  
18           Secretary ~~Commissioner~~ has no legal grounds for taking custody  
19           of the association or trust, the directors or officers of the  
20           association or the trustees or liquidators thereof, as the case  
21           may be, at any time within 10 days after the mailing of such  
22           notice, or within such further periods of time as the Secretary  
23           ~~Commissioner~~ may extend, but not to exceed an additional 60  
24           days, may file a complaint in the Circuit Court of Sangamon  
25           County, Illinois, or in the Circuit Court of the county in

1 which the association is located, to enjoin further custody.  
2 The court thereupon shall cite the Secretary ~~Commissioner~~ to  
3 show cause why further custody should not be enjoined. If upon  
4 a hearing thereon, the court finds that such grounds did not or  
5 do not then exist, it may enter an appropriate order in  
6 accordance with the findings of fact or an order enjoining the  
7 Secretary ~~Commissioner~~ or any appointees acting under his  
8 direction from further custody.

9 (Source: P.A. 84-543.)

10 (205 ILCS 105/7-19.1) (from Ch. 17, par. 3307-19.1)

11 Sec. 7-19.1. Savings and Residential Finance Regulatory  
12 Fund.

13 (a) Until the effective date of this amendatory Act of the  
14 97th General Assembly, the ~~The~~ aggregate of all moneys ~~fees~~  
15 collected by the Secretary under this Act shall be paid  
16 promptly after receipt of the same, accompanied by a detailed  
17 statement thereof, into the State treasury and shall be set  
18 apart in the Savings and Residential Finance Regulatory Fund, a  
19 special fund hereby created in the State treasury. The amounts  
20 deposited into the Fund shall be used for the ordinary and  
21 contingent expenses of the Department of Financial and  
22 Professional Regulation and the Division of Banking, or their  
23 successors, in administering and enforcing the Illinois  
24 Savings and Loan Act of 1985, the Savings Bank Act, and the  
25 Residential Mortgage License Act of 1987 and other laws, rules,

1 and regulations as may apply to the administration and  
2 enforcement of the foregoing laws, rules, and regulations as  
3 amended from time to time. Nothing in this Act shall prevent  
4 continuing the practice of paying expenses involving salaries,  
5 retirement, social security, and State-paid insurance of State  
6 officers by appropriation from the General Revenue Fund.

7 (b) (Blank). ~~Except as otherwise provided in subsection~~  
8 ~~(b-5), moneys in the Savings and Residential Finance Regulatory~~  
9 ~~Fund may not be appropriated, assigned, or transferred to~~  
10 ~~another State fund. The moneys in the Fund shall be for the~~  
11 ~~sole benefit of the institutions assessed.~~

12 (b-5) Moneys in the Savings and Residential Finance  
13 Regulatory Fund may be transferred to the Professions Indirect  
14 Cost Fund, as authorized under Section 2105-300 of the  
15 Department of Professional Regulation Law of the Civil  
16 Administrative Code of Illinois.

17 (b-10) Notwithstanding provisions in the State Finance  
18 Act, as now or hereafter amended, or any other law to the  
19 contrary, the sum of \$27,481,638 shall be transferred from the  
20 Savings and Residential Finance Regulatory Fund to the  
21 Financial Institutions Settlement of 2008 Fund on the effective  
22 date of this amendatory Act of the 95th General Assembly, or as  
23 soon thereafter as practical.

24 Notwithstanding provisions in the State Finance Act, as now  
25 or hereafter amended, or any other law to the contrary, the  
26 Governor may, during any fiscal year through January 10, 2011,

1 from time to time direct the State Treasurer and Comptroller to  
2 transfer a specified sum not exceeding 10% of the revenues to  
3 be deposited into the Savings and Residential Finance  
4 Regulatory Fund during that fiscal year from that Fund to the  
5 General Revenue Fund in order to help defray the State's  
6 operating costs for the fiscal year. Notwithstanding  
7 provisions in the State Finance Act, as now or hereafter  
8 amended, or any other law to the contrary, the total sum  
9 transferred during any fiscal year through January 10, 2011,  
10 from the Savings and Residential Finance Regulatory Fund to the  
11 General Revenue Fund pursuant to this provision shall not  
12 exceed during any fiscal year 10% of the revenues to be  
13 deposited into the Savings and Residential Finance Regulatory  
14 Fund during that fiscal year. The State Treasurer and  
15 Comptroller shall transfer the amounts designated under this  
16 Section as soon as may be practicable after receiving the  
17 direction to transfer from the Governor.

18 (c) All earnings received from investments of funds in the  
19 Savings and Residential Finance Regulatory Fund shall be  
20 deposited into the Savings and Residential Finance Regulatory  
21 Fund and may be used for the same purposes as fees deposited  
22 into that Fund.

23 (d) When the balance in the Savings and Residential Finance  
24 Regulatory Fund at the end of a fiscal year apportioned to the  
25 fees collected under the Illinois Savings and Loan Act of 1985  
26 and the Savings Bank Act exceeds 25% of the total actual

1 administrative and operational expenses incurred by the State  
2 for that fiscal year in administering and enforcing the  
3 Illinois Savings and Loan Act of 1985 and the Savings Bank Act  
4 and such other laws, rules, and regulations as may apply to the  
5 administration and enforcement of the foregoing laws, rules,  
6 and regulations, the excess shall be credited to the  
7 appropriate institutions and entities and applied against  
8 their regulatory fees for the subsequent fiscal year. The  
9 amount credited to each institution or entity shall be in the  
10 same proportion that the regulatory fees paid by the  
11 institution or entity for the fiscal year in which the excess  
12 is produced bear to the aggregate amount of all fees collected  
13 by the Secretary under the Illinois Savings and Loan Act of  
14 1985 and the Savings Bank Act for the same fiscal year. For the  
15 purpose of this Section, "fiscal year" means the period  
16 beginning July 1 of any year and ending June 30 of the next  
17 calendar year.

18 (Source: P.A. 94-91, eff. 7-1-05; 95-1047, eff. 4-6-09.)

19 (205 ILCS 105/7-19.2 new)

20 Sec. 7-19.2. Savings Institutions Regulatory Fund.

21 (a) On or after the effective date of this amendatory Act  
22 of the 97th General Assembly, the aggregate of all moneys  
23 collected by the Secretary under this Act shall be paid  
24 promptly after receipt of the same, accompanied by a detailed  
25 statement thereof, into the State treasury and shall be set

1 apart in the Savings Institutions Regulatory Fund, a special  
2 fund created in the State treasury. The amounts deposited into  
3 the Fund shall be used for the ordinary and contingent expenses  
4 of the Department of Financial and Professional Regulation and  
5 the Division of Banking, or their successors, in administering  
6 and enforcing the Illinois Savings and Loan Act of 1985, the  
7 Savings Bank Act, and other laws, rules, and regulations as may  
8 apply to the administration and enforcement of the foregoing  
9 laws, rules, and regulations, as amended from time to time.  
10 Nothing in this Act shall prevent continuing the practice of  
11 paying expenses involving salaries, retirement, social  
12 security, and State-paid insurance of State officers by  
13 appropriation from the General Revenue Fund.

14 (b) Moneys in the Savings Institution Regulatory Fund may  
15 be transferred to the Professions Indirect Cost Fund, as  
16 authorized under Section 2105-300 of the Department of  
17 Professional Regulation Law of the Civil Administrative Code of  
18 Illinois.

19 (c) All earnings received from investments of funds in the  
20 Savings Institutions Regulatory Fund shall be deposited into  
21 that Fund and may be used for the same purposes as fees  
22 deposited into that Fund.

23 (d) When the balance in the Savings Institutions Regulatory  
24 Fund at the end of a fiscal year exceeds 25% of the total  
25 actual administrative and operational expenses incurred by the  
26 State for that fiscal year in administering and enforcing the

1 Illinois Savings and Loan Act of 1985 and the Savings Bank Act  
2 and such other laws, rules, and regulations as may apply to the  
3 administration and enforcement of the foregoing laws, rules,  
4 and regulations, the excess shall be credited to the  
5 appropriate institutions and entities and applied against  
6 their regulatory fees for the subsequent fiscal year. The  
7 amount credited to each institution or entity shall be in the  
8 same proportion that the regulatory fees paid by the  
9 institution or entity for the fiscal year in which the excess  
10 is produced bear to the aggregate amount of all fees collected  
11 by the Secretary under the Illinois Savings and Loan Act of  
12 1985 and the Savings Bank Act for the same fiscal year. For the  
13 purpose of this Section, "fiscal year" means the period  
14 beginning July 1 of any year and ending June 30 of the next  
15 calendar year.

16 (e) Moneys in the Savings and Residential Finance  
17 Regulatory Fund apportioned to the moneys collected under the  
18 Illinois Savings and Loan Act of 1985 and the Savings Bank Act  
19 shall be transferred to the Savings Institutions Regulatory  
20 Fund upon creation of the Savings Institutions Regulatory Fund.  
21 Any amount used or borrowed from the moneys apportioned to the  
22 moneys collected under the Illinois Savings and Loan Act of  
23 1985 and the Savings Bank Act that would have been required to  
24 be returned to that apportionment shall be instead paid into  
25 the Savings Institutions Regulatory Fund in the same manner.

1 (205 ILCS 105/7-20) (from Ch. 17, par. 3307-20)

2 Sec. 7-20. Board of Savings Institutions; appointment. The  
3 Savings and Loan Board is hereby redesignated the Board of  
4 Savings Institutions. The Board shall be composed of the  
5 Director of Banking, who shall be its chairman and have power  
6 to vote, and 7 additional persons appointed by the Governor.  
7 Four of the 7 persons appointed by the Governor shall represent  
8 the public interest. Three of the 7 additional persons  
9 appointed by the Governor shall have been engaged actively in  
10 savings and loan or savings bank management in this State for  
11 at least 5 years immediately prior to appointment. Each member  
12 of the Board appointed by the Governor shall be reimbursed for  
13 ordinary and necessary expenses incurred in attending the  
14 meetings of the Board. The members of the Board serving  
15 immediately before the effective date of this amendatory Act of  
16 1996 shall continue to serve for the balance of their  
17 respective terms. Members shall be appointed for 4-year terms  
18 to expire on the third Monday in January. Except as otherwise  
19 provided in this Section, members of the Board shall serve  
20 until their respective successors are appointed and qualified.  
21 A member who tenders a written resignation shall serve only  
22 until the resignation is accepted by the Chairman. A member who  
23 fails to attend 3 consecutive Board meetings without an excused  
24 absence shall no longer serve as a member. The Governor shall  
25 fill any vacancy by the appointment of a member for the  
26 unexpired term in the same manner as in the making of original

1 appointments.

2 (Source: P.A. 96-1365, eff. 7-28-10.)

3 (205 ILCS 105/7-21) (from Ch. 17, par. 3307-21)

4 Sec. 7-21. Board of Savings Institutions; organization and  
5 meetings. The Board shall elect a ~~chairman~~, vice-chairman and  
6 secretary of the Board; shall adopt regulations for the holding  
7 and conducting of meetings ~~and for holding hearings concerning~~  
8 ~~all matters within its powers~~; and shall keep a record of all  
9 meetings and transactions and make such other provisions for  
10 the daily conduct of its business as it deems necessary. A  
11 majority of the members of the Board, excluding those members  
12 who are no longer serving as members as provided in Section  
13 7-20, shall constitute a quorum. The act of the majority of the  
14 members of the Board present at a meeting at which a quorum is  
15 present shall be the act of the Board. Regular meetings shall  
16 be held as provided in the regulations, and special meetings  
17 may be called by the Chairman or upon the request of any 3  
18 members of the Board or the Secretary ~~Commissioner~~. The Board  
19 shall maintain at the office of the Secretary ~~Commissioner~~  
20 permanent records of its meetings, hearings and decisions. The  
21 Secretary ~~Commissioner~~ shall provide adequate quarters and  
22 personnel for use by the Board.

23 (Source: P.A. 89-508, eff. 7-3-96.)

24 (205 ILCS 105/7-23) (from Ch. 17, par. 3307-23)

1           Sec. 7-23. Proceedings on objections to Secretary's  
2 ~~Commissioner's~~ action. Except as provided in Article 10 and as  
3 otherwise specifically provided by this Act, any ~~Any~~ person  
4 aggrieved by any decision, order, or action of the Secretary  
5 ~~Commissioner, except one under paragraph (b) of Section 1 9,~~  
6 ~~Section 2 3, paragraph (j) of Section 3 4, or Section 7 9 of~~  
7 ~~this Act, or under Section 1006(b), Section 3005, or Section~~  
8 ~~9012 of the Savings Bank Act, or involving a change of location~~  
9 ~~of an office or the establishment of an additional office under~~  
10 ~~this the Savings Bank Act,~~ may receive a hearing as provided in  
11 Sections 7-24 through 7-27 of this Act.

12           (Source: P.A. 93-271, eff. 7-22-03.)

13           (205 ILCS 105/7-24) (from Ch. 17, par. 3307-24)

14           Sec. 7-24. The Secretary Board shall upon the verified  
15 complaint in writing of any aggrieved person setting forth  
16 facts which if proved would constitute grounds for reversal or  
17 change of any decision, order or action of the Secretary  
18 ~~Commissioner~~, except as provided in Section 7-23 of this Act,  
19 grant a hearing thereon. If the aggrieved person ~~party~~ desires  
20 such a hearing, he or she shall, within 10 days of receipt of  
21 notice of such decision, order or action, file written notice  
22 with the Secretary Board of intent to demand a hearing and  
23 shall, within 30 days of receipt of notice of such decision,  
24 order or action, file his or her verified complaint in writing.  
25 The date of such hearing may not be earlier than 15 days nor

1 later than 30 days after the date of receipt of verified  
2 complaint in writing. The Secretary Board shall, at least 10  
3 days prior to the date set for the hearing, notify in writing  
4 the person aggrieved ~~adversely affected~~ by such decision, order  
5 or action, referred to in this Section as the respondent, and  
6 all other parties to the action, that a hearing will be held on  
7 the date designated and shall afford the respondent and all  
8 other parties to the action an opportunity to be heard in  
9 person or by counsel in reference thereto. Such written notice  
10 may be served by delivery of the same personally to the  
11 respondent and all other parties to the action, or by mailing  
12 the notice by registered or certified mail to the place of  
13 business last theretofore specified by the respondent and all  
14 other parties to the action in the last notification to the  
15 Secretary Board. At the time and place fixed in the notice, the  
16 Secretary Board or its authorized agent, referred to in this  
17 Section as the hearing officer, shall proceed to hear the  
18 charges, and both the respondent and all other parties to the  
19 action and the complainant shall be accorded ample opportunity  
20 to present in person or by counsel such statements, testimony,  
21 evidence and argument as may be pertinent to the issues. The  
22 hearing officer may continue such hearing from time to time.

23 The hearing officer may subpoena any person in this State  
24 and may take testimony either orally or by deposition or by  
25 exhibit, with the same fees and mileage and in the same manner  
26 as prescribed by law in judicial proceedings in civil cases in

1 circuit courts of this State.

2 The hearing officer may administer oaths to witnesses at  
3 any hearing which the hearing officer is authorized by law to  
4 conduct.

5 After the hearing, the Secretary Board shall make a  
6 determination approving, modifying or disapproving the  
7 decision, order or action of the Secretary Commissioner as his  
8 or her ~~its~~ final administrative decision.

9 (Source: P.A. 84-543.)

10 (205 ILCS 105/7-25) (from Ch. 17, par. 3307-25)

11 Sec. 7-25. Record of ~~Board~~ proceedings; expenses. The  
12 Secretary Board, at his or her ~~its~~ expense, unless otherwise  
13 provided in this Act ~~or the Savings Bank Act~~, shall provide a  
14 stenographer to take down the testimony and preserve a record  
15 of all proceedings at the hearing. The notice of hearing,  
16 complaint and all other documents in the nature of pleadings  
17 and written motions filed in the proceedings, the transcript of  
18 testimony, the report of the hearing officer and orders of the  
19 Secretary Board shall be the record of such proceedings. The  
20 Secretary Board shall furnish a transcript of such record to  
21 any person interested in such hearing upon payment of the  
22 actual cost thereof.

23 A copy of the hearing officer's report and the Secretary's  
24 ~~Board's~~ orders shall be served upon the respondent and all  
25 other parties to the action by the Secretary Board, either

1 personally or by registered or certified mail as provided in  
2 this Act for the service of the notice of hearing. All expenses  
3 incurred by the Secretary Board, including the compensation of  
4 the hearing officer, shall be paid by the parties to the  
5 hearing and shall be divided among them in equal shares.

6 (Source: P.A. 89-508, eff. 7-3-96.)

7 (205 ILCS 105/7-26) (from Ch. 17, par. 3307-26)

8 Sec. 7-26. Subpoena; deposition. All subpoenas issued  
9 under the laws of this State pertaining to savings and loan  
10 associations ~~or savings banks~~ may be served by any person who  
11 is not a minor. The fees of witnesses for attendance and travel  
12 shall be the same as fees of witnesses before the circuit  
13 courts of this State, such fees to be paid at the time the  
14 witness is excused from further attendance, when the witness is  
15 subpoenaed at the instance of ~~the Board or~~ the Secretary  
16 ~~Commissioner~~ or any officer or any employee designated by him,  
17 her or it for the purpose of conducting any such investigation,  
18 inquiry or hearing; and the disbursements made in the payment  
19 of such fees shall be audited and paid in the same manner as  
20 are other expenses of the Secretary Board or Commissioner.  
21 Whenever a subpoena is issued at the instance of a complainant,  
22 respondent or other party to any proceeding, the Secretary  
23 ~~Board~~ may require that the cost of service thereof and the fee  
24 of the same shall be borne by the party at whose instance the  
25 witness is summoned, and the Secretary Board or Commissioner

1 shall have power, in his, her or its discretion, to require a  
2 deposit to cover the cost of such service and witness fees and  
3 the payment of legal witness fees and mileage to the witness  
4 when served with subpoena. A subpoena issued under this Section  
5 shall be served in the same manner as a subpoena issued out of  
6 a court.

7 Any person who shall be served with a subpoena to appear  
8 and testify, or to produce books, papers, accounts or  
9 documents, either in person or by deposition, in the manner  
10 provided in this Section, issued by the Secretary Board ~~or~~  
11 ~~Commissioner~~ or by any officer, or any employee designated by  
12 him, her or it to conduct any such investigation, inquiry or  
13 hearing, in the course of an investigation, inquiry or hearing  
14 conducted under any of the provisions of the laws of this State  
15 pertaining to savings and loan associations ~~or savings banks~~,  
16 and who shall refuse or neglect to appear or to testify, or to  
17 produce books, papers, accounts and documents relative to such  
18 investigation, inquiry or hearing as commanded in such  
19 subpoena, shall be guilty of a petty offense.

20 Any circuit court of this State, upon application of the  
21 Secretary Board ~~or Commissioner~~, or an officer, or an employee  
22 designated by him, her or it for the purpose of conducting any  
23 such investigation, inquiry or hearing, may, in its discretion,  
24 compel the attendance of witnesses, the production of books,  
25 papers, accounts and documents and the giving of testimony  
26 before the Secretary Board ~~or Commissioner~~, or before any

1 officer thereof, or any employee designated by him, her or it  
2 for the purpose of conducting any such investigation, inquiry  
3 or hearing, in person or by deposition, in the manner provided  
4 in this Section, by an attachment for contempt or otherwise, in  
5 the same manner as production of evidence may be compelled  
6 before such court.

7 The Secretary ~~Board or Commissioner~~ or any officer, or any  
8 employee designated by him, her or it for the purpose of  
9 conducting any investigation, inquiry or hearing, or any party  
10 may, in any investigation, inquiry or hearing, cause the  
11 deposition of witnesses residing within or without the State to  
12 be taken in the manner prescribed by law for taking like  
13 depositions in civil cases in courts of this State, and to that  
14 end may compel the attendance of witnesses and the production  
15 of papers, books, accounts and documents.

16 (Source: P.A. 89-508, eff. 7-3-96.)

17 (205 ILCS 105/7-27) (from Ch. 17, par. 3307-27)

18 Sec. 7-27. Except as provided in Article 10, any ~~Any~~ person  
19 affected by a final administrative decision of the Secretary  
20 ~~Commissioner under paragraph (b) of Section 1-9, Section 2-3 or~~  
21 ~~paragraph (j) of Section 3-4 of this Act or under Section~~  
22 ~~1006(b) or 3005 of the Savings Bank Act, or involving a change~~  
23 ~~of location of an office or the establishment of an additional~~  
24 ~~office under the Savings Bank Act,~~ may have the decision  
25 reviewed only under and in accordance with the Administrative

1 Review Law, ~~if such person files, within 10 days of receipt of~~  
2 ~~service of a copy of the final decision sought to be reviewed,~~  
3 ~~a written notice with the Commissioner of intent to seek review~~  
4 ~~under the Administrative Review Law.~~

5 ~~Any person affected by a final administrative decision of~~  
6 ~~the Board under Sections 7-21 through 7-26 of this Act may have~~  
7 ~~the decision reviewed only under and in accordance with the~~  
8 ~~Administrative Review Law, if the person files with the Board,~~  
9 ~~within 10 days of receipt of service of a copy of the final~~  
10 ~~decision sought to be reviewed, a written notice of intent to~~  
11 ~~seek review under the Administrative Review Law.~~

12 The provisions of the Administrative Review Law, and all  
13 amendments and modifications thereof, and the rules adopted  
14 pursuant thereto, shall apply to and govern all proceedings for  
15 the judicial review of final administrative decisions of the  
16 Secretary ~~Commissioner or the Board~~ under this Act. The term  
17 "administrative decision" is defined as in Section 3-101 of the  
18 Code of Civil Procedure.

19 Appeals from all final orders and judgments entered by a  
20 court in review of any final administrative decision of the  
21 Secretary ~~Board~~ under this Act may be taken as in other civil  
22 cases.

23 (Source: P.A. 89-508, eff. 7-3-96.)

24 (205 ILCS 105/8-4) (from Ch. 17, par. 3308-4)

25 Sec. 8-4. Election of new directors; Report and

1 supervision.

2 (a) Upon the adoption of the plan of reorganization, the  
3 offices of all directors and officers of the association shall  
4 be vacant, and the members shall proceed to elect directors to  
5 fill the vacancies. If the plan provides for the segregation of  
6 assets under a trust agreement, the members also shall elect  
7 (with cumulative voting permitted as in elections of directors)  
8 3 or more trustees to manage such assets.

9 (b) A report of proceedings at the meetings of the members,  
10 certified by the president or a vice president and attested by  
11 the secretary of the association, setting forth the notice  
12 given and time of mailing thereof, the vote on the plan of  
13 reorganization and the total number of votes which all members  
14 of the association were entitled to cast thereon, shall be  
15 filed in duplicate with the Secretary ~~Commissioner~~, together  
16 with the plan of reorganization. The Secretary ~~Commissioner~~  
17 thereupon shall issue to the association, and to the trustees  
18 if assets have been segregated as a part of the plan, a  
19 certificate of reorganization, and a certificate of amendment  
20 of the articles of incorporation if appropriate.

21 (c) The reorganization shall become effective upon the  
22 recording of the certificate of reorganization and the  
23 certificate of amendment of articles of incorporation, if any,  
24 in the manner required by this Act for the recording of  
25 articles of incorporation.

26 (Source: P.A. 84-543.)

1 Section 20. The Savings Bank Act is amended by changing  
2 Sections 1007.50, 1008, 2007, 3001, 3002, 4012, 6007, 6009,  
3 8002, 8003, 8004, 8005, 8006, 8007, 8008, 8009, 8010, 8013,  
4 8014, 8015, 8016, 9002, 9004, 9008, 9011, 9015, 9017, and 9018  
5 and by adding Sections 8002.1, 8018, 9018.1, 9018.2, 9018.3,  
6 and 9018.4 as follows:

7 (205 ILCS 205/1007.50) (from Ch. 17, par. 7301-7.50)

8 Sec. 1007.50. "Depository institution", as used in this  
9 Act, shall mean an insured depository institution as defined by  
10 Section 3(c)(2) of the Federal Deposit Insurance Act (12 U.S.C.  
11 1813), as amended, or an insured credit union as defined by  
12 Section 101(7) of the Federal Credit Union Act (12 U.S.C.  
13 1752(7)), ~~as amended a commercial bank, a savings bank, a~~  
14 ~~savings and loan association, a trust company, a homestead~~  
15 ~~association, a building and loan association, a cooperative~~  
16 ~~bank, an industrial bank, or a credit union, whether chartered~~  
17 ~~by a state or territory or under the laws of the United States.~~

18 (Source: P.A. 86-1213.)

19 (205 ILCS 205/1008) (from Ch. 17, par. 7301-8)

20 Sec. 1008. General corporate powers.

21 (a) A savings bank operating under this Act shall be a body  
22 corporate and politic and shall have all of the powers  
23 conferred by this Act including, but not limited to, the

1 following powers:

2 (1) To sue and be sued, complain, and defend in its  
3 corporate name and to have a common seal, which it may  
4 alter or renew at pleasure.

5 (2) To obtain and maintain insurance by a deposit  
6 insurance corporation as defined in this Act.

7 (3) To act as a fiscal agent for the United States, the  
8 State of Illinois or any department, branch, arm, or agency  
9 of the State or any unit of local government or school  
10 district in the State, when duly designated for that  
11 purpose, and as agent to perform reasonable functions as  
12 may be required of it.

13 (4) To become a member of or deal with any corporation  
14 or agency of the United States or the State of Illinois, to  
15 the extent that the agency assists in furthering or  
16 facilitating its purposes or powers and to that end to  
17 purchase stock or securities thereof or deposit money  
18 therewith, and to comply with any other conditions of  
19 membership or credit.

20 (5) To make donations in reasonable amounts for the  
21 public welfare or for charitable, scientific, religious,  
22 or educational purposes.

23 (6) To adopt and operate reasonable insurance, bonus,  
24 profit sharing, and retirement plans for officers and  
25 employees and for directors including, but not limited to,  
26 advisory, honorary, and emeritus directors, who are not

1 officers or employees.

2 (7) To reject any application for membership; to retire  
3 deposit accounts by enforced retirement as provided in this  
4 Act and the bylaws; and to limit the issuance of, or  
5 payments on, deposit accounts, subject, however, to  
6 contractual obligations.

7 (8) To purchase stock or membership interests in  
8 service corporations and to invest in any form of  
9 indebtedness of any service corporation as defined in this  
10 Act, subject to regulations of the Secretary ~~Commissioner~~.

11 (9) To purchase stock of a corporation whose principal  
12 purpose is to operate a safe deposit company or escrow  
13 service company.

14 (10) To exercise all the powers necessary to qualify as  
15 a trustee or custodian under federal or State law, provided  
16 that the authority to accept and execute trusts is subject  
17 to the provisions of the Corporate Fiduciary Act and to the  
18 supervision of those activities by the Secretary  
19 ~~Commissioner~~.

20 (11) (Blank).

21 (12) To establish, maintain, and operate terminals as  
22 authorized by the Electronic Fund Transfer Act.

23 (13) To pledge its assets:

24 (A) to enable it to act as agent for the sale of  
25 obligations of the United States;

26 (B) to secure deposits;

1 (C) to secure deposits of money whenever required  
2 by the National Bankruptcy Act;

3 (D) (blank); and

4 (E) to secure trust funds commingled with the  
5 savings bank's funds, whether deposited by the savings  
6 bank or an affiliate of the savings bank, as required  
7 under Section 2-8 of the Corporate Fiduciary Act.

8 (14) To accept for payment at a future date not to  
9 exceed one year from the date of acceptance, drafts drawn  
10 upon it by its customers; and to issue, advise, or confirm  
11 letters of credit authorizing holders thereof to draw  
12 drafts upon it or its correspondents.

13 (15) Subject to the regulations of the Secretary  
14 ~~Commissioner~~, to own and lease personal property acquired  
15 by the savings bank at the request of a prospective lessee  
16 and, upon the agreement of that person, to lease the  
17 personal property.

18 (16) To establish temporary service booths at any  
19 International Fair in this State that is approved by the  
20 United States Department of Commerce for the duration of  
21 the international fair for the purpose of providing a  
22 convenient place for foreign trade customers to exchange  
23 their home countries' currency into United States currency  
24 or the converse. To provide temporary periodic service to  
25 persons residing in a bona fide nursing home, senior  
26 citizens' retirement home, or long-term care facility.

1           These powers shall not be construed as establishing a new  
2           place or change of location for the savings bank providing  
3           the service booth.

4           (17) To indemnify its officers, directors, employees,  
5           and agents, as authorized for corporations under Section  
6           8.75 of the Business Corporations Act of 1983.

7           (18) To provide data processing services to others on a  
8           for-profit basis.

9           (19) To utilize any electronic technology to provide  
10          customers with home banking services.

11          (20) Subject to the regulations of the Secretary  
12          ~~Commissioner~~, to enter into an agreement to act as a  
13          surety.

14          (21) Subject to the regulations of the Secretary  
15          ~~Commissioner~~, to issue credit cards, extend credit  
16          therewith, and otherwise engage in or participate in credit  
17          card operations.

18          (22) To purchase for its own account shares of stock of  
19          a bankers' bank, described in Section 13(b)(1) of the  
20          Illinois Banking Act, on the same terms and conditions as a  
21          bank may purchase such shares. In no event shall the total  
22          amount of such stock held by a savings bank in such  
23          bankers' bank exceed 10% of its capital and surplus  
24          (including undivided profits) and in no event shall a  
25          savings bank acquire more than 5% of any class of voting  
26          securities of such bankers' bank.

1 (23) With respect to affiliate facilities:

2 (A) to conduct at affiliate facilities any of the  
3 following transactions for and on behalf of any  
4 affiliated depository institution, if so authorized by  
5 the affiliate or affiliates: receiving deposits;  
6 renewing deposits; cashing and issuing checks, drafts,  
7 money orders, travelers checks, or similar  
8 instruments; changing money; receiving payments on  
9 existing indebtedness; and conducting ministerial  
10 functions with respect to loan applications, servicing  
11 loans, and providing loan account information; and

12 (B) to authorize an affiliated depository  
13 institution to conduct for and on behalf of it, any of  
14 the transactions listed in this subsection at one or  
15 more affiliate facilities.

16 A savings bank intending to conduct or to authorize an  
17 affiliated depository institution to conduct at an  
18 affiliate facility any of the transactions specified in  
19 this subsection shall give written notice to the Secretary  
20 ~~Commissioner~~ at least 30 days before any such transaction  
21 is conducted at an affiliate facility. All conduct under  
22 this subsection shall be on terms consistent with safe and  
23 sound banking practices and applicable law.

24 (24) Subject to Article XLIV of the Illinois Insurance  
25 Code, to act as the agent for any fire, life, or other  
26 insurance company authorized by the State of Illinois, by

1       soliciting and selling insurance and collecting premiums  
2       on policies issued by such company; and may receive for  
3       services so rendered such fees or commissions as may be  
4       agreed upon between the said savings bank and the insurance  
5       company for which it may act as agent; provided, however,  
6       that no such savings bank shall in any case assume or  
7       guarantee the payment of any premium on insurance policies  
8       issued through its agency by its principal; and provided  
9       further, that the savings bank shall not guarantee the  
10      truth of any statement made by an assured in filing his  
11      application for insurance.

12           (25) To become a member of the Federal Home Loan Bank  
13      and to have the powers granted to a savings association  
14      organized under the Illinois Savings and Loan Act of 1985  
15      or the laws of the United States, subject to regulations of  
16      the Secretary ~~Commissioner~~.

17           (26) To offer any product or service that is at the  
18      time authorized or permitted to a bank by applicable law,  
19      but subject always to the same limitations and restrictions  
20      that are applicable to the bank for the product or service  
21      by such applicable law and subject to the applicable  
22      provisions of the Financial Institutions Insurance Sales  
23      Law and rules of the Secretary ~~Commissioner~~.

24           (b) If this Act or the regulations adopted under this Act  
25      fail to provide specific guidance in matters of corporate  
26      governance, the provisions of the Business Corporation Act of

1 1983 may be used, or if the savings bank is a limited liability  
2 company, the provisions of the Limited Liability Company shall  
3 be used.

4 (c) A savings bank may be organized as a limited liability  
5 company, may convert to a limited liability company, or may  
6 merge with and into a limited liability company, under the  
7 applicable laws of this State and of the United States,  
8 including any rules promulgated thereunder. A savings bank  
9 organized as a limited liability company shall be subject to  
10 the provisions of the Limited Liability Company Act in addition  
11 to this Act, provided that if a provision of the Limited  
12 Liability Company Act conflicts with a provision of this Act or  
13 with any rule of the Secretary Commissioner, the provision of  
14 this Act or the rule of the Secretary Commissioner shall apply.

15 Any filing required to be made under the Limited Liability  
16 Company Act shall be made exclusively with the Secretary  
17 ~~Commissioner~~, and the Secretary Commissioner shall possess the  
18 exclusive authority to regulate the savings bank as provided in  
19 this Act.

20 Any organization as, conversion to, and merger with or into  
21 a limited liability company shall be subject to the prior  
22 approval of the Secretary Commissioner.

23 A savings bank that is a limited liability company shall be  
24 subject to all of the provisions of this Act in the same manner  
25 as a savings bank that is organized in stock form.

26 The Secretary Commissioner may promulgate rules to ensure

1 that a savings bank that is a limited liability company (i) is  
2 operating in a safe and sound manner and (ii) is subject to the  
3 Secretary's ~~Commissioner's~~ authority in the same manner as a  
4 savings bank that is organized in stock form.

5 (Source: P.A. 92-483, eff. 8-23-01; 93-561, eff. 1-1-04.)

6 (205 ILCS 205/2007) (from Ch. 17, par. 7302-7)

7 Sec. 2007. (a) A savings bank, including a mutual savings  
8 bank operating under this Act, may reorganize so as to become a  
9 holding company by:

10 (1) chartering one or more subsidiary savings banks,  
11 the ownership of which shall be evidenced by stock shares,  
12 to be owned by the chartering parent savings bank; and

13 (2) either of the following:

14 (i) transferring the substantial portion of its  
15 assets and all of its insured deposits and part or all  
16 of its other liabilities to one or more subsidiary  
17 savings banks; or

18 (ii) reorganizing in any other manner as approved  
19 by the Secretary ~~Commissioner~~.

20 (b) In order to effect reorganization under subsection (a),  
21 the board of directors of the original savings bank must  
22 approve a plan providing for the reorganization that shall be  
23 submitted for approval by a majority of the voting members of  
24 the savings bank. Approval must occur in accordance with the  
25 savings bank's articles of incorporation and bylaws at a

1 meeting called by the board of directors. The Secretary may  
2 ~~Commissioner shall~~ promulgate rules to regulate the formation  
3 of and the ongoing business of the subsidiaries and the holding  
4 company, including the rights of members, levels of investment  
5 in holding company subsidiaries, and stock sales.

6 (Source: P.A. 88-425.)

7 (205 ILCS 205/3001) (from Ch. 17, par. 7303-1)

8 Sec. 3001. Application for permit to organize.

9 (a) Not fewer than 5 nor more than 20 persons may organize  
10 a savings bank under this Act.

11 (b) The Secretary ~~Commissioner~~ shall determine the minimum  
12 required capital which shall be at least the minimum required  
13 to obtain insurance of accounts as required by this Act and  
14 shall include additional amounts as the Secretary ~~Commissioner~~  
15 may find necessary, ~~based upon duly promulgated regulations.~~

16 (Source: P.A. 86-1213.)

17 (205 ILCS 205/3002) (from Ch. 17, par. 7303-2)

18 Sec. 3002. Contents of application for permit to organize.  
19 The application for a permit to organize shall be on forms  
20 required by the Secretary ~~Commissioner~~, shall include all  
21 information as he deems necessary but must include at least the  
22 following:

23 (1) The name, address, social security number, date of  
24 birth, business address, home address, place of birth, and

1 occupation of each organizer.

2 (2) The name of the proposed savings bank.

3 (3) The address of the headquarters, main business  
4 office, and branches, if known, of the proposed savings  
5 bank. Information must include any real estate interests of  
6 the organizers that may be involved with any of these  
7 locations.

8 (4) The anticipated duration of the proposed savings  
9 bank, which may be perpetual.

10 (5) An audited financial statement of any corporation  
11 or partnership that is one of the organizers or that shall  
12 be either a controlling interest in the proposed savings  
13 bank, a lender to the proposed savings bank, or a lender  
14 for purposes of acquiring an interest in the proposed  
15 savings bank to any of the controlling interests. The  
16 Secretary may ~~Commissioner shall~~ define by regulation the  
17 terms "controlling interest" and "lender".

18 (6) The proposed articles of incorporation and bylaws.

19 (7) The number of shares of capital stock; the number  
20 of shares and classes of preferred stock, if any; the par  
21 value of each type of stock which may not be less than \$1;  
22 the number of shares to be sold and the per share initial  
23 offering price of each share.

24 (Source: P.A. 86-1213.)

25 (205 ILCS 205/4012) (from Ch. 17, par. 7304-12)

1           Sec. 4012. Procedure to dissent.

2           (a) If the action giving rise to the right to dissent is to  
3 be approved at a meeting of shareholders, the notice of meeting  
4 shall inform the shareholders of their right to dissent and the  
5 procedure to dissent. Prior to the meeting, the savings bank  
6 shall furnish to the shareholders material information with  
7 respect to the transaction that will enable a shareholder to  
8 objectively vote on the transaction and to determine whether or  
9 not to exercise dissenters' rights. A shareholder may assert  
10 dissenters' rights only if the shareholder delivers to the  
11 savings bank, before the vote is taken, a written demand for  
12 payment for his shares if the proposed action is consummated  
13 and the shareholder does not vote in favor of the proposed  
14 action.

15           (b) If the action giving rise to the right to dissent is  
16 not to be approved at a meeting of shareholders, the notice to  
17 shareholders describing the action taken shall inform the  
18 shareholders of their right to dissent and the procedure to  
19 dissent. Prior to, or concurrently with, the notice the savings  
20 bank shall furnish to the shareholders material information  
21 with respect to the transaction that will enable a shareholder  
22 to objectively determine whether or not to exercise dissenters'  
23 rights. A shareholder may assert dissenters' rights only if he  
24 delivers to the savings bank within 30 days from the date of  
25 mailing the notice a written demand for payment for his shares.

26           (c) The Secretary may ~~Commissioner shall~~ promulgate rules

1 to govern the procedure to be used by savings banks and  
2 dissenters in arriving at a value and price for dissenters'  
3 shares, as well as how distribution shall be made. In no case  
4 shall the rules be more restrictive than the provisions  
5 applicable to ordinary corporations under the Business  
6 Corporation Act of 1983.

7 (Source: P.A. 86-1213.)

8 (205 ILCS 205/6007) (from Ch. 17, par. 7306-7)

9 Sec. 6007. Sale, assignment, and servicing of loans and  
10 contracts.

11 (a) Any savings bank may sell any loan or a participating  
12 interest in a loan at any time in the usual and regular course  
13 of business. Loans sold may be sold with or without recourse  
14 except as may otherwise be provided by regulations of the  
15 Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ may, by  
16 regulation, adopt limitations upon the sale of loans. The  
17 provisions of this subsection (a) do not apply to the sale of  
18 loans to agencies of the United States, the State of Illinois,  
19 or other government sponsored agencies as may be approved by  
20 the Secretary ~~Commissioner~~.

21 (b) A savings bank may contract to service a loan or a  
22 participating interest in a loan, but a contract therefor shall  
23 conform to any ~~the~~ pertinent regulations prescribed by the  
24 Secretary ~~Commissioner~~ and shall require sufficient  
25 compensation to reimburse the savings bank for all expenses

1 incurred under the contract.

2 (c) A savings bank may sell and assign, with or without  
3 recourse, any master's certificate of sale, defaulted loan, or  
4 defaulted real estate contract to any person eligible to  
5 purchase it for an amount not less than the fair cash market  
6 value thereof.

7 (Source: P.A. 86-1213.)

8 (205 ILCS 205/6009) (from Ch. 17, par. 7306-9)

9 Sec. 6009. Purchase of real estate for office and rental  
10 purposes.

11 (a) A savings bank may acquire and hold real estate in fee  
12 simple or leaseholds on which a building or buildings exist or  
13 are to be erected suitable for the transaction of the savings  
14 bank's business, and from portions of which not required for  
15 the savings bank's own use, revenue may be derived; or may own  
16 all or part of the capital stock, shares, or interest in any  
17 corporation, limited liability company, association, or trust  
18 engaged solely in holding all or part of that real estate.  
19 However, the amount so invested under this Section and item (7)  
20 of Section 6003 may not exceed a savings bank's total capital  
21 unless the Secretary Commissioner, upon a proper showing,  
22 approves a larger amount consistent with the needs of the  
23 savings bank's business and its immediate future expansion.

24 (b) Unless prior written approval of the Secretary  
25 ~~Commissioner~~ is obtained, no savings bank may purchase, lease,

1 or otherwise acquire a site for an office building or interest  
2 in real estate from any officer, director, employee, or  
3 stockholder holding more than 10% of the aggregate capital  
4 stock of the savings bank, or any firm, corporation, entity, or  
5 family in which any officer, director, employee, or stockholder  
6 holding more than 10% of the aggregate capital stock of a  
7 savings bank has any direct or indirect interest.

8 (c) An acquisition prohibited by this Section includes the  
9 purchase, lease, or acquisition of property in which any of the  
10 persons described in this Section held any interest for a  
11 period of 10 years preceding the purchase, lease, or  
12 acquisition, but does not include the acquisition of an option  
13 for a site or real estate where the option is assignable and  
14 exercised by the savings bank in its own name and for its own  
15 benefit.

16 (Source: P.A. 89-320, eff. 1-1-96.)

17 (205 ILCS 205/8002) (from Ch. 17, par. 7308-2)

18 Sec. 8002. Procedure to amend articles.

19 (a) The procedure to effect an amendment of articles of  
20 incorporation shall be as follows:

21 (1) The board of directors shall adopt a resolution  
22 setting forth the proposed amendment and direct that it be  
23 submitted to a vote at an annual or special meeting of the  
24 members or stockholders.

25 (2) The proposed amendment shall be set forth in the

1 notice of meeting mailed as prescribed in Section 4003 of  
2 this Act.

3 (3) The proposed amendment shall be adopted upon  
4 receiving the affirmative vote of a majority of the votes  
5 entitled to be cast, unless the articles of incorporation  
6 set forth a requirement that amendments of the articles of  
7 incorporation shall be adopted by an affirmative vote of  
8 two-thirds of the total number of votes entitled to be  
9 cast.

10 (b) A report of proceedings, including the notice given,  
11 the time of mailing, the amendment adopted, the vote thereon,  
12 and the total number of votes entitled to be cast, verified by  
13 the president, vice president, or managing officer and attested  
14 to by the Secretary, shall be filed with the Secretary  
15 ~~Commissioner~~ within 5 business days after the vote.

16 (c) Each adopted amendment shall be subject to the same  
17 inquiry as the corresponding provision in the original  
18 articles. If the Secretary ~~Commissioner~~ approves an amendment  
19 he shall issue to the savings bank a certificate setting forth  
20 the amendment and his approval thereof. The amendment shall  
21 become effective upon issuance of the certificate ~~when recorded~~  
22 ~~in the same manner as the savings bank's articles of~~  
23 ~~incorporation. The savings bank shall provide the Commissioner~~  
24 ~~with a copy of the recorded amendment within 5 business days of~~  
25 ~~the date of recording.~~

26 (d) An amendment of the articles of incorporation approved

1 by the board of directors, the Secretary, and members as part  
2 of merger, sale of substantially all assets, change in control,  
3 holding company reorganization, or mutual to stock form  
4 conversion need not be approved under this Section.

5 (e) No amendment of articles of incorporation shall affect  
6 any existing cause of action either in favor of or against the  
7 savings bank or any pending action in which the savings bank  
8 shall be a party or the existing rights of persons other than  
9 members of the savings bank.

10 (Source: P.A. 89-74, eff. 6-30-95.)

11 (205 ILCS 205/8002.1 new)

12 Sec. 8002.1. Procedure to amend articles of incorporation  
13 for name change.

14 (a) Notwithstanding the requirements of Section 8002 of  
15 this Act, a savings bank, after commencing business, may amend  
16 its articles of incorporation solely for purposes of changing  
17 the name of the savings bank, upon satisfactory completion of  
18 the following requirements:

19 (1) Submission by the board of directors of a certified  
20 resolution approving the proposed name change and  
21 approving a plan for notifying all parties who may be  
22 affected by the change, including, but not limited to  
23 members, account holders, borrowers, creditors, and  
24 parties to whom or with whom commitments of any type are  
25 pending.

1           (2) The new name, as determined by the Secretary, meets  
2           the requirements for names under this Act or rules  
3           established by the Secretary.

4           On satisfactory completion of these requirements, the  
5           Secretary shall issue an approved amendment to the articles of  
6           incorporation as provided for in subsection (c) of Section 8002  
7           of this Act.

8           (b) No amendment of the articles of incorporation to change  
9           the name of a savings bank shall affect any existing cause of  
10           action either in favor of or against the savings bank or any  
11           pending action in which the savings bank shall be a party, nor  
12           shall it affect the existing rights of persons other than  
13           members of the savings bank. No action brought by or against  
14           the savings bank under its former name shall be abated by  
15           reason of the change.

16           (205 ILCS 205/8003) (from Ch. 17, par. 7308-3)

17           Sec. 8003. Effect upon existing articles and bylaws. Any  
18           adopted or amended articles that contain provisions contrary to  
19           the savings bank's bylaws shall serve to repeal the particular  
20           bylaws without further action by the board. ~~No amendment to a~~  
21           ~~savings bank's bylaws may take effect until the amendment is~~  
22           ~~approved by the Commissioner.~~

23           (Source: P.A. 89-74, eff. 6-30-95.)

24           (205 ILCS 205/8004) (from Ch. 17, par. 7308-4)

1           Sec. 8004. Merger; adoption of plan.

2           (a) Any depository institution may merge into a savings  
3 bank operating under this Act, and a savings bank operating  
4 under this Act may merge into a depository institution. The  
5 board of directors of each merging depository institution, by  
6 resolution adopted by a majority vote of all members of the  
7 board, must approve the plan of merger.

8           (b) The plan of merger must include the following:

9           (1) The name of each of the merging depository  
10 institutions, the name of the continuing savings bank or  
11 resulting depository institution ~~or State or national~~  
12 ~~bank~~, the location of the business office, and the location  
13 of the branch offices.

14           (2) With respect to the resulting savings bank or  
15 resulting depository institution ~~or State or national~~  
16 ~~bank~~, the amount of capital, surplus, and reserve for  
17 operating expenses; the classes and the number of shares of  
18 stock and the par value of each share; the charter and  
19 bylaws of the resulting depository institution or savings  
20 bank ~~or resulting State or national bank~~; and a detailed  
21 financial Statement showing the assets and liabilities  
22 after the proposed merger.

23           (3) Provisions stating the method, terms, and  
24 conditions of carrying the merger into effect, including  
25 the manner of converting the shares of the merging  
26 depository institutions into the cash, shares of stock, or

1 other securities or properties stated in the merger  
2 agreement to be received by the stockholders of each  
3 merging depository institution.

4 (4) Provisions governing the manner of disposing of any  
5 shares of stock of the resulting savings bank or resulting  
6 depository institution ~~or State or national bank~~ that are  
7 not taken by the dissenting stockholders of each merging  
8 depository institution.

9 (5) Other provisions that appear necessary or  
10 desirable or that the Secretary ~~Commissioner~~ may  
11 reasonably require to enable him to discharge his duties  
12 with respect to the merger.

13 (c) After approval by the board of directors of each  
14 depository institution, the merger agreement shall be  
15 submitted to the Secretary ~~Commissioner~~ for approval, together  
16 with the certified copies of the authorizing resolutions of  
17 each board of directors showing approval by a majority of the  
18 entire board of each merging depository institution. After  
19 receipt of the items specified herein, the Secretary  
20 ~~Commissioner~~ may make or cause to be made an examination of the  
21 affairs of each of the merging depository institutions and  
22 their affiliates and subsidiaries, the expense of which is to  
23 be paid by the merging depository institutions.

24 (d) The Secretary ~~Commissioner~~ may then approve or  
25 disapprove the proposed merger agreement. The Secretary  
26 ~~Commissioner~~ shall not approve a merger agreement unless he

1 finds that:

2 (1) The resulting savings bank meets the requirements  
3 of this Act for the formation of a new savings bank at the  
4 proposed main office of the resulting savings bank.

5 (2) The same conditions exist with respect to the  
6 resulting savings bank that would be required under this  
7 Act for the organization of a new savings bank.

8 (3) The merger agreement is fair to all persons  
9 affected.

10 (4) The resulting savings bank will be operated in a  
11 safe and sound manner.

12 (e) If the Secretary ~~Commissioner~~ disapproves of the  
13 proposed merger, he shall State his objections in writing and  
14 give the merging depository institutions a Stated period of  
15 time in which to amend the plan of merger to address ~~obviate~~  
16 the objections.

17 (Source: P.A. 87-1226; 88-425.)

18 (205 ILCS 205/8005) (from Ch. 17, par. 7308-5)

19 Sec. 8005. Merger; vote of approval. If approved by the  
20 Secretary ~~Commissioner~~, the plan of merger shall be submitted  
21 to the stockholders of the savings bank or depository  
22 institution for approval. The Secretary ~~Commissioner~~ may  
23 require that the plan of merger be submitted to members of a  
24 mutual savings bank. Each meeting of the members or  
25 stockholders of a savings bank operating under this Act shall

1 be called and held in accordance with Section 4002. The plan is  
2 approved if it receives the affirmative vote of two-thirds or  
3 more of the total votes entitled to be cast.

4 (Source: P.A. 86-1213.)

5 (205 ILCS 205/8006) (from Ch. 17, par. 7308-6)

6 Sec. 8006. Merger; Secretary's ~~Commissioner's~~ certificate.  
7 The executed merger agreement together with copies of the  
8 resolutions of the members or stockholders of each merging  
9 depository institution approving it, certified by the  
10 president or vice president ~~managing officer~~, and attested to  
11 by the secretary of the savings bank, shall be filed with the  
12 Secretary ~~Commissioner~~. The Secretary ~~Commissioner~~ shall then  
13 issue to the continuing savings bank a certificate of merger,  
14 setting forth the name of each merging depository institution,  
15 the name of the continuing savings bank, and the articles of  
16 incorporation of the continuing savings bank. The merger takes  
17 effect upon the recording of the certificate in the same manner  
18 as the articles of incorporation in each county in which the  
19 business office of any of the merging depository institutions  
20 was located and in the county in which the business office of  
21 the continuing savings bank is located. When duly recorded, the  
22 certificate shall be conclusive evidence of the merger and of  
23 the correctness of the proceedings therefor except against the  
24 State.

25 (Source: P.A. 87-1226; 88-425.)

1 (205 ILCS 205/8007) (from Ch. 17, par. 7308-7)

2 Sec. 8007. Effect of merger. The continuing savings bank or  
3 resulting depository institution ~~or State or national bank~~  
4 shall be considered the same business and corporate entity as  
5 each merging depository institution, with all the property,  
6 rights, duties, and obligations of each merging depository  
7 institution, except as otherwise provided by the articles of  
8 incorporation of the continuing savings bank or resulting  
9 depository institution ~~or State or national bank~~. All  
10 liabilities of each of the merging institutions shall be  
11 liabilities of the continuing savings bank or resulting  
12 depository institution ~~or State or national bank~~; and all of  
13 the rights, franchises, and interests of each of the merging  
14 depository institutions in and to every kind of property, real,  
15 personal, or mixed shall vest automatically in the continuing  
16 savings bank or resulting depository institution ~~or State or~~  
17 ~~national bank~~ without any deed or other transfer. Any reference  
18 to a merging depository institution in any writing, whether  
19 executed or effective before or after the merger, shall be  
20 deemed a reference to the continuing savings bank or resulting  
21 depository institution ~~or State or national bank~~ if not  
22 inconsistent with the other provisions of the writing. No  
23 pending action or other judicial proceeding to which any  
24 merging depository institution is a party shall be abated or  
25 dismissed by reason of the merger, but shall be prosecuted to

1 final judgment in the same manner as if the merger had not  
2 occurred.

3 (Source: P.A. 87-1226; 88-425.)

4 (205 ILCS 205/8008) (from Ch. 17, par. 7308-8)

5 Sec. 8008. Merger; Secretary's ~~Commissioner's~~ expenses.

6 The expenses of any examination made by or at the direction of  
7 the Secretary ~~Commissioner~~ in connection with a proposed merger  
8 shall be paid for by the merging savings banks or depository  
9 institutions.

10 (Source: P.A. 86-1213.)

11 (205 ILCS 205/8009) (from Ch. 17, par. 7308-9)

12 Sec. 8009. Sale of assets. Subject to regulations of the  
13 Secretary ~~Commissioner~~, a savings bank, in one transaction not  
14 in the usual course of business, may sell all or substantially  
15 all of its assets, with or without its name and goodwill, to  
16 another savings bank or depository institution ~~to any other~~  
17 ~~financial institution~~, in consideration of money, capital, or  
18 obligations of the purchasing institution. A savings bank may  
19 sell any office or facility and equipment in conformity with  
20 the regulations of the Secretary ~~Commissioner~~.

21 (Source: P.A. 86-1213.)

22 (205 ILCS 205/8010) (from Ch. 17, par. 7308-10)

23 Sec. 8010. Procedure to effect sale of all assets.

1 (a) The procedure to effect a sale authorized by Section  
2 ~~Sections 8009 and 8014~~ of this Act shall be as follows:

3 (1) The board of directors shall adopt a resolution  
4 setting forth the terms of the proposed sale and shall  
5 submit the plan to the Secretary ~~Commissioner~~ for his  
6 preliminary approval. Upon receipt of approval by the  
7 Secretary ~~Commissioner~~, the plan shall be submitted to a  
8 vote of the members at a special or annual meeting.

9 (2) The terms shall be set forth in the notice of the  
10 meeting as prescribed in subsection (b) of Section 4003 of  
11 this Act.

12 (3) The proposed sale will be approved by the members  
13 or stockholders upon receiving in the affirmative  
14 two-thirds or more of the total number of votes that all  
15 members or stockholders of the savings bank are entitled to  
16 cast. A proposal for the voluntary liquidation of the  
17 savings bank may be submitted to the members or  
18 stockholders at the same meeting or at any later meeting  
19 called for that purpose in accordance with Article 4 of  
20 this Act. A report of proceedings, certified by the  
21 president or vice president and attested by the secretary  
22 of the savings bank, setting forth the terms of the  
23 proposed sale, the notice given and the time of its  
24 mailing, the vote on the proposal, and the total number of  
25 votes that all members or stockholders of the savings bank  
26 are entitled to cast, shall be filed with the Secretary

1 ~~Commissioner.~~

2 (b) If the Secretary ~~Commissioner~~ finds that the proposed  
3 sale is fair to all holders of capital, creditors, and other  
4 persons concerned and provision has been made for the  
5 disposition of the remaining assets, if any, of the savings  
6 bank, as provided in this Act for voluntary liquidation, he  
7 shall issue to the savings bank a certificate of authorization  
8 for the sale with a copy of the filed report of proceedings  
9 attached to the certificate.

10 (c) When the Secretary's ~~Commissioner's~~ certificate is  
11 issued ~~recorded in the same manner as the savings bank's~~  
12 ~~articles of incorporation~~, the savings bank may complete the  
13 sale so authorized; except that the savings bank must also have  
14 the approval of the Federal Deposit Insurance Corporation.

15 (d) If the sale includes the name of the savings bank, the  
16 purchaser shall have the exclusive right to that name for a  
17 period of 5 years.

18 (Source: P.A. 86-1213.)

19 (205 ILCS 205/8013) (from Ch. 17, par. 7308-13)

20 Sec. 8013. Emergency merger. With the prior approval of the  
21 Secretary ~~Commissioner~~, which approval shall state that the  
22 proposed merger is in his opinion necessary for the protection  
23 of the depositors and other creditors, any savings bank that is  
24 an eligible depository institution, as defined in the Illinois  
25 Banking Act, may, by a vote of a majority of its board of

1 directors and without a vote of its members or stockholders,  
2 merge with another savings bank or depository institution, ~~a~~  
3 ~~State or federal savings and loan association, or a bank, as~~  
4 ~~defined in the Illinois Banking Act,~~ with the other savings  
5 bank or depository institution, ~~State or federal savings and~~  
6 ~~loan association, or bank~~ being the resulting or continuing  
7 savings bank or depository institution, ~~savings and loan~~  
8 ~~association, or bank.~~

9 (Source: P.A. 86-1213.)

10 (205 ILCS 205/8014) (from Ch. 17, par. 7308-14)

11 Sec. 8014. Emergency sale of assets.

12 (a) With the approval in writing of the Secretary  
13 ~~Commissioner~~, which approval shall state that the proposed sale  
14 is, in his opinion, necessary for the protection of the  
15 depositors and other creditors, any savings bank that is an  
16 eligible depository institution, as defined in Section 2 of the  
17 Illinois Banking Act may, by a vote of a majority of its board  
18 of directors and without a vote of its members or stockholders,  
19 sell all or any part of its assets to another savings bank or  
20 depository institution, ~~savings and loan association, bank, as~~  
21 ~~defined in the Illinois Banking Act,~~ or to the Federal Deposit  
22 Insurance Corporation, ~~or to both a State or federally~~  
23 ~~chartered savings bank or savings and loan association or a~~  
24 ~~bank and the Federal Deposit Insurance Corporation,~~ provided  
25 that a savings bank or depository institution assumes, ~~State or~~

1 ~~federally chartered savings and loan association or bank~~  
2 ~~assumes~~ in writing all of the liabilities of the selling  
3 savings bank association and that any sale to a bank shall be  
4 by an eligible depository institution, as defined in the  
5 Illinois Banking Act.

6 (b) Notwithstanding any other provisions of this Act, a  
7 savings bank may sell to any savings bank or depository  
8 institution, ~~savings and loan association, or bank, as defined~~  
9 ~~in the Illinois Banking Act~~, an insubstantial portion of its  
10 total deposits ~~which shall have the same meaning as provided in~~  
11 ~~Section 5(d)(2)(D) of the Federal Deposit Insurance Act~~. The  
12 sale of an insubstantial portion of a savings bank's deposits  
13 may be by vote of a majority of the board of directors, and,  
14 with approval of the Secretary Commissioner, without a vote of  
15 its members or stockholders.

16 (Source: P.A. 86-1213.)

17 (205 ILCS 205/8015) (from Ch. 17, par. 7308-15)

18 Sec. 8015. Change in control.

19 (a) No person, whether acting directly or indirectly or  
20 through or in concert with one or more persons, may acquire  
21 control of a savings bank operating under this Act without  
22 prior approval of the Secretary Commissioner.

23 (b) Any person seeking to acquire control of a savings bank  
24 or subsidiary of a savings bank operating under this Act shall  
25 submit an application in the form required by the Secretary

1 ~~Commissioner.~~

2 (c) The Secretary ~~Commissioner~~ may examine the books and  
3 records of the applicant and related persons, investigate any  
4 matter relevant to the application, and require the applicant  
5 to submit additional information and documents.

6 (d) The Secretary ~~Commissioner~~ shall not approve an  
7 acquisition of control unless the application and related  
8 examination and investigation permit the Secretary  
9 ~~Commissioner~~ to find positively on all of the following  
10 matters:

11 (1) The applicant has filed a complete application, has  
12 cooperated with all examinations and investigations of the  
13 Secretary ~~Commissioner~~, and has submitted all information  
14 and documents requested by the Secretary ~~Commissioner~~.

15 (2) The applicant and proposed management have the  
16 necessary competence, experience, integrity, and financial  
17 ability.

18 (3) The business plans of the applicant are consistent  
19 with the safe and sound operation of the savings bank and  
20 the purposes of this Act.

21 (4) The acquisition of control would not be inequitable  
22 to members, borrowers or creditors of the savings bank.

23 (5) The applicant and proposed management have  
24 complied with subsection (f) ~~(e)~~ of this Section.

25 (e) Shares of stock or mutual members shares acquired in  
26 violation of subsection (a) of this Section shall not be voted

1 and shall not be counted in calculating the total number of  
2 shares eligible to vote. In addition to any other action  
3 authorized under this Act, the Secretary ~~Commissioner~~ may  
4 require divestment of shares of stock acquired in violation of  
5 this Section and may require retirement of the withdrawal value  
6 of accounts providing mutual member voting shares acquired in  
7 violation of this Section, in which case the savings bank shall  
8 pay accrued interest on the retired withdrawal value and shall  
9 not assess any penalty for early withdrawal.

10 (f) An individual, whether acting directly or indirectly or  
11 through or in concert with one or more persons, shall file  
12 written notice to the Secretary ~~Commissioner~~ within 10 days of  
13 the occurrence of either of the following events:

14 (1) becoming, directly or indirectly, the beneficial  
15 owner of more than five percent of the voting shares of a  
16 savings bank or savings bank holding company; or

17 (2) obtaining, directly or indirectly, the power to  
18 cast more than five percent of the member votes of a  
19 savings bank or savings bank holding company.

20 The requirements of this subsection (f) are separate and in  
21 addition to the requirements of subsection (a) of this Section.

22 (g) The Secretary ~~Commissioner~~ may promulgate rules to  
23 implement this provision, including definitions, form and  
24 content of application or notice, procedures, exemptions, and  
25 requirements for approval.

26 (Source: P.A. 96-585, eff. 8-18-09.)

1 (205 ILCS 205/8016) (from Ch. 17, par. 7308-16)

2 Sec. 8016. Procedure for conversion from a savings bank  
3 charter.

4 (a) Any savings bank operating under this Act may convert  
5 to any other depository institution chartered under the laws  
6 and regulations of this State or under the laws and regulations  
7 of the United States in accordance with the following  
8 requirements:

9 (1) The converting savings bank shall notify the  
10 Secretary ~~Commissioner~~ of its intent to convert. Notice  
11 should be submitted when the savings bank first submits a  
12 request to convert to the appropriate State or federal  
13 authorities, but in no case less than 30 days before the  
14 conversion. Approval of the conversion by the Secretary  
15 ~~Commissioner~~ shall not be required except when the savings  
16 bank converts to a depository institution that is also  
17 chartered by the Secretary ~~Commissioner~~ in which case the  
18 savings bank shall comply with State law and regulations  
19 applicable to the conversion to such depository  
20 institution.

21 (2) The board of directors shall approve a plan of  
22 conversion by resolution adopted by majority vote of all of  
23 the directors.

24 (3) Upon notice prescribed by subsection (a) of Section  
25 4003 of this Act, the plan of conversion shall be adopted

1           upon receiving in the affirmative two-thirds or more of the  
2           total number of votes that all members of the savings bank  
3           are entitled to cast. A report of proceedings, certified by  
4           the president or a vice president and attested by the  
5           secretary of the savings bank, shall be filed promptly with  
6           the Secretary Commissioner.

7           (4) The savings bank shall pay all accrued supervisory  
8           fees and other fees and assessments under this Act as of  
9           the date of conversion.

10          (5) Upon completion of the conversion, the charter of  
11          the savings bank shall automatically terminate and the  
12          savings bank charter or a true copy of the charter shall be  
13          returned to the Secretary Commissioner.

14          (b) (Blank). ~~If the Commissioner finds that any requirement~~  
15 ~~of this Section would prevent under applicable law a depository~~  
16 ~~institution that is not a savings bank from converting to a~~  
17 ~~savings bank, the Commissioner may waive any requirement having~~  
18 ~~that effect.~~

19          (Source: P.A. 91-97, eff. 7-9-99.)

20                 (205 ILCS 205/8018 new)

21                 Sec. 8018. Waiver of requirements. Notwithstanding any  
22 provision of this Article, the requirements imposed by this  
23 Article on a savings bank that seeks to convert to, merge into,  
24 or sell substantially all of its assets to a depository  
25 institution that is not a savings bank shall be no more

1 burdensome or restrictive than the requirements imposed by  
2 federal or other state law on a depository institution that is  
3 not a savings bank that seeks to convert to, merge into, or  
4 sell substantially all of its assets to a savings bank. The  
5 Secretary may waive any such requirement imposed by this  
6 Article that is more burdensome or restrictive.

7 (205 ILCS 205/9002) (from Ch. 17, par. 7309-2)

8 Sec. 9002. Powers of Secretary. The Secretary shall have  
9 the following powers and duties:

10 (1) To exercise the rights, powers, and duties set forth in  
11 this Act or in any related Act.

12 (2) To establish regulations as may be reasonable or  
13 necessary to accomplish the purposes of this Act.

14 (3) To make an annual report regarding the work of his  
15 office under this Act as he may consider desirable to the  
16 Governor, or as the Governor may request.

17 (4) To cause a suit to be filed in his name to enforce any  
18 law of this State that applies to savings banks, their service  
19 corporations, subsidiaries, affiliates, or holding companies  
20 operating under this Act, including the enforcement of any  
21 obligation of the officers, directors, agents, or employees of  
22 any savings bank.

23 (5) To prescribe a uniform manner in which the books and  
24 records of every savings bank are to be maintained.

25 (6) To establish a reasonable fee structure for savings

1 banks and holding companies operating under this Act and for  
2 their service corporations and subsidiaries. The fees shall  
3 include, but not be limited to, annual fees, application fees,  
4 regular and special examination fees, and other fees as the  
5 Secretary establishes and demonstrates to be directly  
6 resultant from the Secretary's responsibilities under this Act  
7 and as are directly attributable to individual entities  
8 operating under this Act. The aggregate of all moneys ~~fees~~  
9 collected by the Secretary on and after the effective date of  
10 this Act shall be paid promptly after receipt of the same,  
11 accompanied by a detailed statement thereof, into the Savings  
12 and Residential Finance Regulatory Fund subject to the  
13 provisions of Section 7-19.1 of the Illinois Savings and Loan  
14 Act of 1985 including without limitation the provision for  
15 credits against regulatory fees. The amounts deposited into the  
16 Fund shall be used for the ordinary and contingent expenses of  
17 the Office of Banks and Real Estate. Notwithstanding any other  
18 provision of this paragraph (6), the aggregate of all moneys  
19 collected by the Secretary under this Act shall be paid  
20 promptly after receipt of same, accompanied by a detailed  
21 statement thereof, into the Savings Institutions Regulatory  
22 Fund upon the creation of that fund under Section 7-19.2 of the  
23 Illinois Savings and Loan Act of 1985, subject to the  
24 provisions of Section 7-19.2 of the Illinois Savings and Loan  
25 Act of 1985, including without limitation the provision for  
26 credits against regulatory fees. The amounts deposited into the

1 Savings Institutions Regulatory Fund under this paragraph (6)  
2 shall be used for the ordinary and contingent expenses of  
3 administering and enforcing this Act. Nothing in this Act shall  
4 prevent continuing the practice of paying expenses involving  
5 salaries, retirement, social security, and State-paid  
6 insurance of State officers by appropriation from the General  
7 Revenue Fund. The Secretary may require payment of the fees  
8 under this Act by an electronic transfer of funds or an  
9 automatic debit of an account of each of the savings banks.

10 (Source: P.A. 95-1047, eff. 4-6-09; 96-1365, eff. 7-28-10.)

11 (205 ILCS 205/9004) (from Ch. 17, par. 7309-4)

12 Sec. 9004. Examination.

13 (a) At least once every 18 months or more often if it is  
14 deemed necessary or expedient, the Secretary ~~Commissioner~~  
15 shall examine the books, records, operations, and affairs of  
16 each savings bank operating under this Act. In the course of  
17 the examination, the Secretary ~~may Commissioner shall~~ also  
18 examine in the same manner all entities, companies, and  
19 individuals which or whom the Secretary ~~Commissioner~~  
20 determines may have a relationship with the savings bank or any  
21 subsidiary or entity affiliated with it, if the relationship  
22 may adversely affect the affairs, activities, and safety and  
23 soundness of the savings bank, including: (i) companies  
24 controlled by the savings bank; (ii) entities, including  
25 companies controlled by the company, individual, or

1 individuals that control the savings bank; and (iii) the  
2 company or other entity which controls or owns the savings  
3 bank. ~~For purposes of this subsection, the Commissioner shall~~  
4 ~~deem it necessary or expedient to conduct an examination more~~  
5 ~~often than every 18 months if a required report from a savings~~  
6 ~~bank indicates a material change in financial condition or a~~  
7 ~~material violation of a law or regulation. In that event, the~~  
8 ~~Commissioner shall initiate an examination within 30 days of~~  
9 ~~receipt of that information. In the event that the condition is~~  
10 ~~grounds for taking custody of the savings bank under Section~~  
11 ~~10001 of this Act, the examination shall be initiated~~  
12 ~~immediately.~~ Notwithstanding any other provision of this Act,  
13 every savings bank, as defined by rule, or, if not defined, to  
14 the same extent as would be permitted in the case of a State  
15 bank, the Secretary, in lieu of the examination, may accept on  
16 an alternating basis the examination made by the eligible  
17 savings bank's appropriate federal banking agency pursuant to  
18 Section 111 of the Federal Deposit Insurance Corporation  
19 Improvement Act of 1991, provided the appropriate federal  
20 banking agency has made an examination.

21 (b) The Secretary ~~Commissioner~~ shall examine to determine:

22 (1) Quality of financial condition, including safety  
23 and soundness and investment and loan quality.

24 (2) Compliance with this Act and other applicable  
25 statutes and regulations.

26 (3) Quality of management policies.

1           (4) Overall safety and soundness of the savings bank,  
2           its parent, subsidiaries, and affiliates.

3           (5) Remedial actions required to correct and to restore  
4           compliance with applicable statutes, regulations, and  
5           proper business policies.

6           (c) The Secretary may ~~Commissioner shall~~ promulgate  
7           regulations to implement and administer this Section.

8           (d) If a savings bank, its holding company, or any of its  
9           corporate subsidiaries has not been audited at least once in  
10          the 12 months prior to the Secretary's ~~Commissioner's~~  
11          examination, the Secretary may ~~Commissioner shall~~ cause an  
12          audit of the savings bank's books and records to be made by an  
13          independent licensed public accountant ~~selected by the~~  
14          ~~Commissioner from a list composed of certified public~~  
15          ~~accountants who have experience in savings bank audits.~~ The  
16          cost of the audit shall be paid for by the entity being  
17          audited.

18          (e) The Secretary ~~Commissioner~~ or ~~the~~ his or her  
19          ~~Commissioner's~~ examiners or other formally designated agents  
20          are authorized to administer oaths and to examine and to take  
21          and preserve testimony under oath as to anything in the affairs  
22          or ownership of any savings bank or institution or affiliate  
23          thereof.

24          (Source: P.A. 96-1365, eff. 7-28-10.)

1           Sec. 9008. Report of examination. Upon completion of each  
2 examination, the Secretary ~~Commissioner shall~~ make a report  
3 of examination to the board of directors of the savings bank or  
4 other entity examined. The report shall be read by each  
5 director who shall then execute a signed statement ~~affidavit~~  
6 ~~affirming~~ that he has read the report. The statement ~~affidavits~~  
7 shall be filed and retained by the savings bank or appropriate  
8 entity examined and shall be examined by the Secretary  
9 ~~Commissioner~~ during regular examinations.

10       (Source: P.A. 86-1213.)

11           (205 ILCS 205/9011) (from Ch. 17, par. 7309-11)

12           Sec. 9011. Record keeping and retention of records by a  
13 savings bank.

14           (a) Each savings bank is required to maintain appropriate  
15 books and records, as required by the Secretary ~~Commissioner~~,  
16 that are in accordance with generally accepted accounting  
17 principles and the requirements of its insurer of accounts. All  
18 books and records shall be current, complete, organized, and  
19 accessible to the Secretary ~~Commissioner~~, the Secretary's  
20 ~~Commissioner's~~ agents and examiners, and to the savings bank's  
21 auditors and accountants.

22           (b) Each savings bank shall implement internal control and  
23 security measures for its data processing activities. A  
24 contract with a data processing service or for data processing  
25 services must provide that records maintained shall at all

1 times be available for examination and audit by the Secretary  
2 ~~Commissioner~~.

3 (c) The Secretary ~~Commissioner~~ may further regulate these  
4 matters by the promulgation of rules concerning data  
5 processing. As used herein, "data processing" means all  
6 electronic or automated systems of communication and data  
7 processing by computer.

8 (d) Unless a federal law requires otherwise, the Secretary  
9 ~~may Commissioner shall~~ by regulation prescribe periods of time  
10 for which savings banks operating under this Act must retain  
11 records and after the expiration of which, the savings bank may  
12 destroy those records. No liability shall accrue against the  
13 savings bank, the Secretary ~~Commissioner~~, or this State for  
14 destruction of records according to regulations of the  
15 Secretary ~~Commissioner~~ promulgated under the authority of this  
16 Section. In any cause or proceeding in which any records may be  
17 called in question or be demanded by any savings bank, a  
18 showing of the expiration of the period so prescribed shall be  
19 sufficient excuse for failure to produce them.

20 (Source: P.A. 90-301, eff. 8-1-97.)

21 (205 ILCS 205/9015) (from Ch. 17, par. 7309-15)

22 Sec. 9015. Unsafe and unsound practices; orders of  
23 prohibition and removal.

24 (a) The violation of any of the following provisions of  
25 this Act: Article 5, subsection (b) of Section 4009, Section

1 7006, Section 9005, and Section 9014 is deemed to be an unsafe  
2 and unsound practice and creates an unsafe and unsound  
3 condition in the savings bank. The savings bank or the  
4 institution affiliated party responsible for the violation may  
5 be subject to the assessment of civil money penalties and other  
6 enforcement powers of the Secretary ~~Commissioner~~, as specified  
7 in this Article, in Article 11, and by regulation of the  
8 Secretary ~~Commissioner~~.

9 (b) Continued violation of any of those provisions after  
10 the Secretary ~~Commissioner~~ issues formal notice to correct  
11 shall subject the directors of the savings bank at fault to  
12 immediate removal from the board and to a permanent order of  
13 prohibition from direct or indirect participation in the  
14 affairs of any financial institution subject to this Act, the  
15 Illinois Savings and Loan Act of 1985, or the Residential  
16 Mortgage License Act of 1987.

17 (c) The Secretary ~~may~~ ~~Commissioner shall~~ promulgate rules  
18 and regulations to implement this Section.

19 (Source: P.A. 90-301, eff. 8-1-97.)

20 (205 ILCS 205/9017) (from Ch. 17, par. 7309-17)

21 Sec. 9017. Procedure upon the impairment of capital.

22 (a) If the Secretary ~~Commissioner~~ finds from a report of  
23 examination or other required report of a savings bank that the  
24 capital is impaired, he may ~~shall~~, in his discretion institute  
25 whichever of the following procedures is appropriate:

1           (1) Direct that the board of directors either (i)  
2           require the shareholders to contribute an amount at least  
3           sufficient to eliminate the impairment, or (ii) reduce the  
4           par value of the capital stock in at least the amount of  
5           the impairment and allocate the reduction to undivided  
6           profits or reserves to absorb the loss that created the  
7           impairment.

8           (2) Take custody of the savings bank under Article 10  
9           of this Act, establish a conservatorship, and proceed to  
10          merge, sell, or otherwise dispose of the savings bank in a  
11          manner that will remove the capital impairment, remove  
12          operating losses, and restore compliance with all capital  
13          requirements.

14          (3) Declare the stock worthless and order the directors  
15          to cancel the stock or order the directors to sell, merge,  
16          or otherwise restructure the savings bank in a manner that  
17          will remove the capital impairment, eliminate operating  
18          losses, and restore compliance with all capital  
19          requirements.

20          (b) The Secretary may ~~Commissioner shall~~ promulgate rules  
21          to implement this procedure.

22          (Source: P.A. 86-1213.)

23               (205 ILCS 205/9018) (from Ch. 17, par. 7309-18)

24               Sec. 9018. Administrative review. Except as provided in  
25               Article 10 and as otherwise specifically provided by this Act,

1 any person aggrieved by a decision of the Secretary  
2 ~~Commissioner~~ under this Act may receive a hearing before the  
3 Secretary under Sections 9018.1 through 9018.4 of this Act  
4 ~~Board of Savings Institutions or otherwise seek administrative~~  
5 ~~review of the decision pursuant to the procedures set forth in~~  
6 ~~Sections 7-20 through 7-27 of the Illinois Savings and Loan Act~~  
7 ~~of 1985.~~

8 (Source: P.A. 89-508, eff. 7-3-96.)

9 (205 ILCS 205/9018.1 new)

10 Sec. 9018.1. Hearing upon verified complaint. The  
11 Secretary shall, upon receiving the verified complaint in  
12 writing of any aggrieved person setting forth facts that, if  
13 proved, would constitute grounds for reversal or change of any  
14 decision, order, or action of the Secretary, except as provided  
15 in Section 9018 of this Act, grant a hearing on the complaint.  
16 If the aggrieved person desires such a hearing, he or she  
17 shall, within 10 days after receipt of notice of such decision,  
18 order, or action, file written notice with the Secretary of  
19 intent to demand a hearing and shall, within 30 days after  
20 receipt of notice of such decision, order, or action, file his  
21 or her verified complaint in writing. The date of the hearing  
22 may not be earlier than 15 days nor later than 30 days after  
23 the date of receipt of verified complaint in writing. The  
24 Secretary shall, at least 10 days prior to the date set for the  
25 hearing, notify in writing the person aggrieved by such

1 decision, order, or action, referred to in this Section as the  
2 respondent, and all other parties to the action, that a hearing  
3 will be held on the date designated and shall afford the  
4 respondent and all other parties to the action an opportunity  
5 to be heard in person or by counsel in reference thereto.  
6 Written notice may be served by delivery of the same personally  
7 to the respondent and all other parties to the action or by  
8 mailing the notice by registered or certified mail to the place  
9 of business specified by the respondent and all other parties  
10 to the action in the last notification to the Secretary. At the  
11 time and place fixed in the notice, the Secretary or his or her  
12 authorized agent, referred to in this Section as the hearing  
13 officer, shall proceed to hear the charges and the respondent,  
14 all other parties to the action, and the complainant shall be  
15 accorded ample opportunity to present in person or by counsel  
16 such statements, testimony, evidence, and argument as may be  
17 pertinent to the issues. The hearing officer may continue such  
18 hearing from time to time.

19 The hearing officer may subpoena any person in this State  
20 and may take testimony either orally, by deposition, or by  
21 exhibit, with the same fees and mileage and in the same manner  
22 as prescribed by law in judicial proceedings in civil cases in  
23 circuit courts of this State.

24 The hearing officer may administer oaths to witnesses at  
25 any hearing that the hearing officer is authorized by law to  
26 conduct.

1       After the hearing, the Secretary shall make a determination  
2 approving, modifying, or disapproving the decision, order, or  
3 action of the Secretary as his or her final administrative  
4 decision.

5           (205 ILCS 205/9018.2 new)

6       Sec. 9018.2. Record of proceedings; expenses. The  
7 Secretary, at his or her expense, unless otherwise provided in  
8 this Act, shall provide a stenographer to take down the  
9 testimony and preserve a record of all proceedings at the  
10 hearing. The notice of hearing, complaint, and all other  
11 documents in the nature of pleadings and written motions filed  
12 in the proceedings, the transcript of testimony, the report of  
13 the hearing officer, and orders of the Secretary shall be the  
14 record of such proceedings. The Secretary shall furnish a  
15 transcript of the record to any person interested in such  
16 hearing upon payment of the actual cost thereof.

17       A copy of the hearing officer's report and the Secretary's  
18 orders shall be served as notice of the hearing on the  
19 respondent and all other parties to the action by the  
20 Secretary, either personally or by registered or certified  
21 mail, as provided in this Act. All expenses incurred by the  
22 Secretary, including the compensation of the hearing officer,  
23 shall be paid by the parties to the hearing and shall be  
24 divided among them in equal shares.

1 (205 ILCS 205/9018.3 new)

2 Sec. 9018.3. Subpoena; deposition. All subpoenas issued  
3 under the laws of this State pertaining to or concerning  
4 savings banks may be served by any person who is not a minor.  
5 The fees of witnesses for attendance and travel shall be the  
6 same as fees of witnesses before the circuit courts of this  
7 State. Witness fees are to be paid at the time the witness is  
8 excused from further attendance, when the witness is subpoenaed  
9 at the instance of the Secretary or any officer or any employee  
10 designated by him or her for the purpose of conducting any  
11 investigation, inquiry, or hearing. The disbursements made in  
12 the payment of witness fees shall be audited and paid in the  
13 same manner as are other expenses of the Secretary. Whenever a  
14 subpoena is issued at the instance of a complainant,  
15 respondent, or other party to any proceeding, the Secretary may  
16 require that the cost of service thereof and the fee of the  
17 same shall be borne by the party at whose instance the witness  
18 is summoned, and the Secretary shall have power, in his or her  
19 discretion, to require a deposit to cover the cost of such  
20 service and witness fees and the payment of legal witness fees  
21 and mileage to the witness when served with subpoena. A  
22 subpoena issued under this Section shall be served in the same  
23 manner as a subpoena issued out of a court.

24 Any person served with a subpoena to appear and testify or  
25 to produce books, papers, accounts, or documents, either in  
26 person or by deposition, in the manner provided in this

1 Section, issued by the Secretary or by any officer or any  
2 employee designated by him or her to conduct any such  
3 investigation, inquiry, or hearing, in the course of an  
4 investigation, inquiry, or hearing conducted under any of the  
5 provisions of the laws of this State pertaining to savings  
6 banks, and who refuses or neglects to appear or to testify, or  
7 to produce books, papers, accounts, and documents relative to  
8 such investigation, inquiry, or hearing as commanded in such  
9 subpoena, shall be guilty of a petty offense.

10 Any circuit court of this State, on application of the  
11 Secretary or an officer or an employee designated by the  
12 Secretary for the purpose of conducting any investigation,  
13 inquiry, or hearing, may, in his or her discretion, compel the  
14 attendance of witnesses, the production of books, papers,  
15 accounts, and documents, and the giving of testimony before the  
16 Secretary or before any officer or any employee designated by  
17 the Secretary for the purpose of conducting any such  
18 investigation, inquiry, or hearing, in person or by deposition,  
19 in the manner provided in this Section, by an attachment for  
20 contempt or otherwise, in the same manner as production of  
21 evidence may be compelled before a court.

22 The Secretary, any officer or employee designated by the  
23 Secretary for the purpose of conducting any investigation,  
24 inquiry, or hearing, or any party may, in any investigation,  
25 inquiry, or hearing, cause the deposition of witnesses residing  
26 within or outside of the State to be taken in the manner

1 prescribed by law for taking like depositions in civil cases in  
2 courts of this State and, to that end, may compel the  
3 attendance of witnesses and the production of papers, books,  
4 accounts, and documents.

5 (205 ILCS 205/9018.4 new)

6 Sec. 9018.4. Review under Administrative Review Law.  
7 Except as provided in Article 10, any person affected by a  
8 final administrative decision of the Secretary may have the  
9 decision reviewed only under and in accordance with the  
10 Administrative Review Law.

11 The provisions of the Administrative Review Law, all  
12 amendments and modifications to the Administrative Review Law,  
13 and the rules adopted under the Administrative Review Law,  
14 shall apply to and govern all proceedings for the judicial  
15 review of final administrative decisions of the Secretary under  
16 this Act. For the purposes of this Section, "administrative  
17 decision" is defined as in Section 3-101 of the Code of Civil  
18 Procedure.

19 Appeals from all final orders and judgments entered by a  
20 court in review of any final administrative decision of the  
21 Board under this Act may be taken as in other civil cases.

22 Section 25. The Corporate Fiduciary Act is amended by  
23 changing the heading of Article IX by changing Sections 4A-5,  
24 5-9, and 6-13.5 as follows:

1 (205 ILCS 620/4A-5)

2 Sec. 4A-5. Foreign corporations establishing places of  
3 business to conduct fiduciary activities in Illinois.

4 (a) A foreign corporation may establish or acquire and  
5 maintain a place of business for the conduct of business as a  
6 fiduciary in this State provided that a corporate fiduciary  
7 that has its principal place of business in Illinois is  
8 permitted to establish or acquire and maintain a similar place  
9 of business that may engage in activities substantially similar  
10 to those permitted to foreign corporations under this Act in  
11 the state where the foreign corporation has its principal place  
12 of business.

13 (b) A foreign corporation desiring to establish or acquire  
14 and maintain a place of business to conduct business as a  
15 fiduciary in Illinois under this Section shall provide, or  
16 cause its home state regulator to provide, written notice of  
17 the proposed transaction to the Commissioner on or after the  
18 date on which the foreign corporation applies to its home state  
19 regulator for approval to establish or acquire and maintain a  
20 place of business in Illinois. The filing of the notice shall  
21 be preceded or accompanied by a copy of the resolution adopted  
22 by the board authorizing the additional place of business and  
23 the filing fee required by the Commissioner. The Commissioner  
24 may prescribe the form of the notice required under this  
25 Section. In the Commissioner's discretion, the application or

1 notice submitted to the foreign corporation's home state  
2 regulator may be sufficient notice under this Section.

3 (c) A foreign corporation desiring to establish or acquire  
4 and maintain a place of business to conduct business as a  
5 fiduciary shall (i) confirm in writing to the Commissioner that  
6 for as long as it maintains a place of business in Illinois, it  
7 will comply with the laws of this State and (ii) provide  
8 satisfactory evidence to the Commissioner of compliance with  
9 any applicable requirements of state foreign corporation  
10 qualification laws and applicable requirements of its home  
11 state regulator for acquiring or establishing and maintaining  
12 the office.

13 (d) A foreign corporation submitting a notice to the  
14 Commissioner in accordance with subsection (b) may commence  
15 fiduciary business at the place of business listed in its  
16 notice after the Commissioner approves the foreign corporation  
17 to conduct a fiduciary business in Illinois ~~on the 61st day~~  
18 ~~after the date the Commissioner receives the notice unless the~~  
19 ~~Commissioner specifies an earlier or later date.~~ However, if  
20 the foreign corporation is not a depository institution and the  
21 Commissioner approves the foreign corporation to conduct a  
22 fiduciary business in Illinois subject to specific conditions,  
23 the foreign corporation shall not commence a fiduciary business  
24 in Illinois until it has satisfied those conditions and  
25 provided evidence satisfactory to the Commissioner that it has  
26 done so. ~~The Commissioner may extend the 60 day review period~~

1 ~~if additional time or information is needed for approval of the~~  
2 ~~notice.~~ The Commissioner may deny approval of the notice if he  
3 finds that the foreign corporation lacks sufficient financial  
4 resources to undertake the proposed expansion without  
5 adversely affecting its safety or soundness or that the place  
6 of business is contrary to the public interest.

7 (Source: P.A. 92-483, eff. 8-23-01.)

8 (205 ILCS 620/5-9) (from Ch. 17, par. 1555-9)

9 Sec. 5-9. Statement of condition.

10 (a) Each corporate fiduciary shall file with the  
11 Commissioner, when requested, a statement under oath, of the  
12 condition of such corporate fiduciary as of the date requested.  
13 The statement of condition shall be in such form and contain  
14 such statements, returns and information, as to the affairs,  
15 business conditions, and resources of the corporate fiduciary  
16 or of its trust department, as the case may be, as the said  
17 Commissioner may, from time to time prescribe or require.

18 (b) Such statement of condition shall be verified by the  
19 affidavit of the president, vice president or principal  
20 accounting officer of said corporate fiduciary, who shall also  
21 state in such affidavit that he has examined the books and  
22 accounts of said corporate fiduciary or of its trust  
23 department, as the case may be for the purpose of making said  
24 report or statement, and that the information contained in the  
25 statement or report is accurate to the best of his knowledge

1 and belief. If the statement is submitted in electronic form,  
2 the Commissioner may, in the call for the report, specify the  
3 manner in which the appropriate officer of the corporate  
4 fiduciary shall verify the statement of condition.

5 (c) (Blank). ~~The corporate fiduciary shall cause a proper~~  
6 ~~abstract of the statements of assets and liabilities reported~~  
7 ~~under sub section (a) of this Section to be published once in a~~  
8 ~~newspaper of general circulation, circulated in the city, town~~  
9 ~~or village where the corporate fiduciary is located. Such~~  
10 ~~publication shall be paid for by said corporate fiduciary which~~  
11 ~~shall cause to be provided to the Commissioner a certificate of~~  
12 ~~publication from the publishing newspaper in such form as the~~  
13 ~~Commissioner shall require. When the corporate fiduciary is a~~  
14 ~~State bank, qualified under this Act, the statements published~~  
15 ~~in compliance with the Illinois Banking Act may be accepted by~~  
16 ~~the Commissioner in compliance with the publication~~  
17 ~~requirements of this Section although an annual statement of~~  
18 ~~condition may still be required.~~

19 (d) Any corporate fiduciary which fails to file an accurate  
20 statement of condition on or before the date it is due, ~~to~~  
21 ~~publish the report if required to be published, or which fails~~  
22 ~~to provide evidence of such publication~~ may be fined \$100 for  
23 each day of noncompliance.

24 (e) Any corporate fiduciary which is the victim of a  
25 robbery or experiences a shortage of funds in excess of  
26 \$10,000, an apparent misapplication of the corporate

1 fiduciary's funds by an officer, employee, director, or agent,  
2 a charge-off of assets of the corporate fiduciary, or any  
3 adverse legal action in an amount in excess of 10% of total  
4 capital and surplus of the corporate fiduciary, including but  
5 not limited to, the entry of an adverse money judgment against  
6 the corporate fiduciary shall report that information in  
7 writing to the Commissioner within 7 days. Neither the  
8 corporate fiduciary, its directors, officers, employees or  
9 agents, in the preparation or filing of the reports required by  
10 this subsection, shall be subject to any liability for libel,  
11 slander or other charges resulting from information supplied in  
12 such reports, except when the supplying of such information is  
13 done in a corrupt or malicious manner or otherwise not in good  
14 faith.

15 (Source: P.A. 89-364, eff. 8-18-95.)

16 (205 ILCS 620/6-13.5)

17 Sec. 6-13.5. Pledging requirements.

18 (a) The Commissioner may require a trust company holding a  
19 certificate of authority under this Act to pledge to the  
20 Commissioner securities or a surety bond which shall run to the  
21 Commissioner in an amount, not to exceed \$2,000,000 ~~\$1,000,000~~,  
22 that the Commissioner deems appropriate for costs associated  
23 with the receivership of the trust company. In the event of a  
24 receivership of a trust company, the Commissioner may, without  
25 regard to any priorities, preferences, or adverse claims,

1 reduce the pledged securities or the surety bond to cash and,  
2 as soon as practicable, utilize the cash to cover costs  
3 associated with the receivership.

4 (b) If the trust company chooses to pledge securities to  
5 satisfy the provisions of this Section, the securities shall be  
6 held at a depository institution or a Federal Reserve Bank  
7 approved by the Commissioner. The Commissioner may specify the  
8 types of securities that may be pledged in accordance with this  
9 Section. Any fees associated with holding such securities shall  
10 be the responsibility of the trust company.

11 (c) If the trust company chooses to purchase a surety bond  
12 to satisfy the provisions of this Section, the bond shall be  
13 issued by a bonding company, approved by the Commissioner, that  
14 is authorized to do business in this State and that has a  
15 rating in one of the 3 highest grades as determined by a  
16 national rating service. The bond shall be in a form approved  
17 by the Commissioner. The trust company may not obtain a surety  
18 bond from any entity in which the trust company has a financial  
19 interest.

20 (Source: P.A. 92-485, eff. 8-23-01.)

21 (205 ILCS 620/Art. IX heading)

22 ARTICLE IX. MISCELLANEOUS PROVISIONS<sub>7</sub>

23 ~~FIDUCIARY ADVISORY COMMITTEE~~

24 (205 ILCS 105/7-11 rep.)

1 (205 ILCS 105/7-12 rep.)

2 (205 ILCS 105/7-13 rep.)

3 (205 ILCS 105/7-14 rep.)

4 (205 ILCS 105/7-16 rep.)

5 (205 ILCS 105/7-17 rep.)

6 (205 ILCS 105/7-18 rep.)

7 (205 ILCS 105/7-19 rep.)

8 Section 28. The Illinois Savings and Loan Act of 1985 is  
9 amended by repealing Sections 7-11, 7-12, 7-13, 7-14, 7-16,  
10 7-17, 7-18, and 7-19.

11 (205 ILCS 205/9010 rep.)

12 Section 30. The Savings Bank Act is amended by repealing  
13 Section 9010.

14 (205 ILCS 616/70 rep.)

15 (205 ILCS 616/75 rep.)

16 Section 35. The Electronic Fund Transfer Act is amended by  
17 repealing Sections 70 and 75.

18 (205 ILCS 620/1-5.04 rep.)

19 (205 ILCS 620/9-1 rep.)

20 (205 ILCS 620/9-2 rep.)

21 (205 ILCS 620/9-3 rep.)

22 (205 ILCS 620/9-4 rep.)

23 Section 40. The Corporate Fiduciary Act is amended by

1     repealing Sections 1-5.04, 9-1, 9-2, 9-3, and 9-4.".